

**GERARD MANN LIMITED**  
**REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2006**  
**Registered in England and Wales No. 660644**

Registered Office  
Suite 3  
Rushmoor Court  
Croxley Business Park  
Hatters Lane  
Watford  
Herts  
WD18 8PY



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14/09/2007

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# **GERARD MANN LIMITED**

## **Report of the directors**

The Directors submit their report together with the audited accounts for the year ended 31 December 2006

### **1 Business review and principal activities**

The principal activities of the Company during the year under review were distribution and retailing of cars and commercial vehicles, sales of oils, spare parts together with service repair facilities, and vehicle rental

The results for the company show a loss of £44,000 (2005 £863,000 profit) for the year

The Directors do not recommend the payment of a dividend (2005 £Nil)

### **2 Future outlook**

The directors do not foresee any significant changes in the Company or its activities during 2007

### **3 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 Inchcape group as a whole, is provided on pages 14-17 of the group's annual report which does not form part of this report

### **4 Key performance indicators (KPIs)**

The Company is part of the Inchcape group. The development, performance and position of the UK retail division, which includes this company, is discussed on page 8 of the group's annual report which does not form part of this report

### **5 Directors**

The directors who held office throughout the year, except as noted, were

Mr G J Potts (resigned 17 September 2006)  
Mr M P Wheatley  
Mr S Lock  
Mr C McCormack

### **6 Transactions with directors**

No transaction, arrangement or agreement required to be disclosed in terms of the Companies Act 1985 was outstanding at 31 December 2006, or occurred during the year for any director or connected person (2005 None)

### **7 Directors' responsibility in respect of the preparation of accounts**

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the profit or loss of that company for the period. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue its business.

The directors confirm that

- suitable accounting policies have been used and applied consistently,
- reasonable and prudent judgments and estimates have been made in preparing the financial statements for the year ended 31 December 2006,
- applicable accounting standards have been followed

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.

## GERARD MANN LIMITED

### Report of the directors

#### 8 Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

#### 9 Employee involvement

Arrangements exist to keep all employees informed on matters of concern to them and, following the publication of the results of Inchcape plc, information is disseminated widely. This includes performance statistics for both the Inchcape Group and individual business streams. Employee bulletins, the Group Intranet "the Pulse" and UK in-house magazine "Ignition" facilitate communication with employees throughout the world. Employees are regularly consulted upon matters concerning their employment.

Information is given on the performance of the pension fund. Company employees are eligible to participate in the Inchcape plc savings share option scheme, subject to the rules of that scheme. Employees are also offered Inchcape Colleague Advantages to promote their well-being.

#### 10 Employment and training policy

The Company is an equal opportunities employer and it is committed, where practicable and safe to do so, to the employment of disabled staff. The Company is committed to the training and development of its staff. In the event of members of staff becoming disabled, every effort is made to ensure that their employment continues and that appropriate training is arranged.

#### 11 Creditor payment policy

The company is responsible for agreeing the terms and conditions including terms of payment under which business transactions with the company's suppliers are conducted. While the company does not follow any single external code or standard, in line with Inchcape Group policy, payments to suppliers are made in accordance with the agreed terms, provided that the supplier is also complying with all relevant terms and conditions.

The number of days' purchases outstanding as at 31 December 2006, calculated by reference to the amount owed to trade creditors at the year end as a proportion of the amounts invoiced by suppliers during the year, was 25 days (2005 - 27 days).

#### 12 Statement of disclosure of information to auditors

As at the date of this report, as far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware. Each director has taken such steps as they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

#### 13 Auditors

Pursuant to Section 386 of the Companies Act 1985, the Company has elected to dispense with the obligation to appoint auditors annually. Accordingly, PricewaterhouseCoopers LLP have indicated their willingness to remain in office.

#### 14 Elective resolutions

In addition to the aforementioned election to dispense with the obligation to appoint auditors annually, further elective resolutions passed by the members, remain in force. These resolutions remove the requirement for the company to -

- (i) Hold Annual General Meetings, and
- (ii) Lay Report and Accounts before a General Meeting

By Order of the Board



For and on behalf of  
Inchcape UK Corporate Management Limited  
Company Secretary

Date 28/6/2007

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GERARD MANN

We have audited the financial statements of Gerard Mann Limited for the year ended 31 December 2006 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.

### Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom 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). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

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 Directors' Report is not 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.

### Opinion

In our opinion:

- i) 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 2006 and of its loss for the year then ended,
- ii) the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- iii) the information given in the Directors' Report is consistent with the financial statements.

*PricewaterhouseCoopers LLP*

PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
London

Date 05/07/07

# GERARD MANN LIMITED

## Profit and loss account

For the year ended 31 December 2006

	Note	2006 £'000	2005 £'000
Turnover	1	141,680	153,086
Cost of sales		(120,092)	(133,515)
<b>GROSS PROFIT</b>		<u>21,588</u>	<u>19,571</u>
Distribution costs		(10,641)	(10,982)
Administrative expenses		(10,566)	(6,486)
<b>Net operating expenses</b>		<u>(21,207)</u>	<u>(17,468)</u>
Exceptional items	8	-	26
<b>Operating profit</b>	2	<u>381</u>	<u>2,129</u>
Interest receivable	6	8	223
Interest payable	7	<u>(554)</u>	<u>(1,081)</u>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(165)	1,271
Tax credit/(charge) on profit on ordinary activities	9	121	(408)
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<u>(44)</u>	<u>863</u>
Dividends	10	-	-
<b>RETAINED (LOSS)/PROFIT FOR THE YEAR</b>		(44)	863
Profit and loss account brought forward		<u>8,244</u>	<u>7,381</u>
Profit and loss account carried forward	19	<u><u>8,200</u></u>	<u><u>8,244</u></u>

There are no recognised gains or losses in either the current or previous financial years other than the loss for the financial year and therefore no statement of total recognised gains and losses has been presented

There is no difference between the loss on ordinary activities before taxation and the retained loss for the year stated above and their historical cost equivalents

All transactions are derived from continuing operations

# GERARD MANN LIMITED

Balance sheet  
As at 31 December 2006

	Note	2006 £'000	2005 £'000
<b>Fixed assets</b>			
Intangible assets	11	2,236	2,407
Tangible assets	12	1,048	791
Investments	13	<u>17,477</u>	<u>17,477</u>
		20,761	20,675
<b>Current Assets</b>			
Stocks	14	21,206	29,180
Debtors	15	8,724	9,064
Cash at bank and in hand		<u>112</u>	<u>3,215</u>
		30,042	41,459
<b>Current Liabilities</b>			
<b>Creditors - amounts falling due within one year</b>	16	(42,353)	(53,640)
<b>Net current liabilities</b>		<u>(12,311)</u>	<u>(12,181)</u>
<b>Total assets less current liabilities</b>		8,450	8,494
<b>Net assets</b>		<u>8,450</u>	<u>8,494</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	250	250
Profit and loss account	19	<u>8,200</u>	<u>8,244</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>	20	<u>8,450</u>	<u>8,494</u>

The financial statements on pages 4 to 13 were approved by the Board of Directors on 28/6/7

Signed on behalf of the Board of Directors



C McCormack  
Director

# **GERARD MANN LIMITED**

## **Notes to the accounts for the year ended 31 December 2006**

### **1 ACCOUNTING POLICIES**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted are as described below.

The principal accounting policies of the company have been reviewed in accordance with Financial Reporting Standard 18 'Accounting Policies'.

No new accounting policies have been adopted during the year.

#### **Going concern**

The company has received assurances from Inchcape Motors International Limited, its immediate parent company, that it will continue to provide support to the company for at least 12 months from the date of approval of these financial statements. The directors believe that on the basis of continuing support from Inchcape Motors International Limited, it is appropriate to prepare the financial statements on a going concern basis.

#### **Group accounts**

In accordance with the exemption permitted by Section 228 of the Companies Act 1985 the company is exempt from preparing and delivering to the Registrar of Companies consolidated financial statements.

#### **Turnover**

Turnover represents the invoiced value of goods and services provided excluding Value Added Tax. The turnover is attributable to the principal activities of the Company, and is wholly derived in the United Kingdom.

#### **Intangible fixed assets**

Goodwill represents the difference between the fair value of the consideration and the identifiable net assets at the date of acquisition, and is written off on a straight line basis over the directors' estimate of its useful economic life of up to twenty years.

#### **Tangible fixed assets**

Depreciation is provided at the following annual rates, in order to write off each asset over its estimated useful life.

Plant and equipment	10% - 33% on cost
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#### **Stocks and work in progress**

Stocks and work in progress are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Where necessary, provision is made for obsolete, slow moving and defective stocks. Stocks on consignment and their related obligations are recognised in current assets and creditors respectively on adoption of the consignment stock when the risks and rewards of ownership pass to the Company.

#### **Consignment stock**

Where it is concluded that consignment stock is in substance an asset of the Company it is recognised on the balance sheet in stock together with a corresponding liability to the manufacturer, within trade creditors.

## **GERARD MANN LIMITED**

### **Notes to the accounts for the year ended 31 December 2006**

#### **1 ACCOUNTING POLICIES (CONTINUED)**

##### **Deferred taxation**

Deferred taxation is provided for in full (without discounting) based on current tax rates and law, on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax in the future except as otherwise required by FRS19. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no binding commitment to sell the asset.

##### **Lease and hire purchase agreements**

The Company has a number of hire purchase agreements. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over the shorter of its estimated useful life or the purchase term. Future instalments under such agreements, net of finance charges, are categorised as appropriate, under creditors due within or after one year.

Rentals payable under operating leases are written off to the profit and loss account as incurred.

##### **Pension and other post retirement benefits**

The company participates in various Group pension schemes, which are defined benefit in nature with assets held in separately administered funds. The cost of providing such benefits is determined separately for each plan using the projected unit credit actuarial valuation method, in accordance with the advice of an independent qualified actuary.

The funds are valued every three years on an IAS 19 basis by a professionally qualified independent actuary. No separate valuation is performed on an FRS 17 basis.

##### **Changes in accounting policies**

FRS 17 Retirement Benefits has been adopted in full with effect from 1 January 2005 (the extended transitional arrangements no longer apply) however since it is not possible for the company to separately identify its share of the underlying assets and liabilities of the various pension schemes, prior period comparatives have not needed to be restated. For further details, please see the pension notes in the financial statements.

##### **FRS 8 Related party transactions**

The directors regard Inchcape plc, a company registered in England and Wales, as the ultimate controlling party. Therefore the Company has applied the exemption in paragraph 3 of FRS 8 "Related Party Disclosure". This exemption permits the non-disclosure of transactions and balances with related parties that are included in the consolidated financial statements of Inchcape plc. The directors consider that there are no other relationships, transactions or balances which are required to be disclosed by FRS 8.



# GERARD MANN LIMITED

## Notes to the accounts for the year ended 31 December 2006

### 2 Operating profit

The operating profit is stated after charging

	2006 £'000	2005 £'000
Employee costs (see Note 3)	14,124	11,774
Amortisation of goodwill	171	170
Depreciation of tangible fixed assets	384	399
(Profit) on disposal of fixed assets	(16)	(3)
Auditors' remuneration	22	23
Operating lease rentals - land and buildings	1,406	900
- plant and machinery	6	4

### 3 Employees

Staff costs during the year amounted to

	2006 £'000	2005 £'000
Salaries and wages	9,705	9,833
Social security costs	996	972
Pension costs	3,423	969
	<u>14,124</u>	<u>11,774</u>

The monthly average number of persons employed by the Company throughout the year was made up as follows

	2006 No	2005 No
Retail	82	77
Aftersales	261	272
Administration & management	54	59
	<u>397</u>	<u>408</u>

### 4 Directors' emoluments

None of the Directors received any remuneration for services rendered to the Company (2005 nil)

### 5 Pensions and other post retirement benefits

#### Pension benefits

The Company participates in the Inchcape Group (UK) Pension Scheme (including the UK cash plan) and Inchcape Motors Pension Scheme which are group schemes with assets held in separately administered funds. Employees are admitted to a scheme dependent on their seniority and the date they joined the group. For the purposes of the Group financial statements of Inchcape plc, the valuation of the respective schemes deficits have been calculated in accordance with IAS 19, no separate valuations on an FRS 17 basis have been performed. The following weighted average assumptions have been used to determine the P&L charge in the reporting period

	2006	2005
Rate of increase in salaries	4.9%	4.7%
Discount rate	5.1%	4.8%
Inflation	2.9%	2.7%

# GERARD MANN LIMITED

## Notes to the accounts for the year ended 31 December 2006

### 5 Pensions and other post retirement benefits (continued)

#### Pension benefits (continued)

##### Inchcape Group (UK) Pension Scheme (including UK cash plan)

At 31 December 2006, the total deficit for this group scheme amounted to £3.9m (2005 - £17.3m). As it is not possible to allocate the scheme assets and liabilities to individual participating companies, the Company is unable to identify its share of the underlying assets and liabilities in the schemes. As such, in accordance with FRS 17, for accounting purposes the scheme has been treated as a defined contribution scheme.

A pension cost of £13,000 has been charged in 2006 (2005 - £Nil) in respect of the UK pension scheme and £Nil has been charged in respect of the UK cash plan (2005 - £Nil). Outstanding contributions at 31 December 2006 amounted to £Nil (2005 - £Nil). Participating employers are only required to fund the scheme to the extent of the charge put through their profit and loss account (ie their ongoing service cost).

An additional one-off contribution of £15.0m was made by a fellow Group company to the UK pension scheme in March 2006 to partially fund the deficit.

Further details relating to this scheme can be found in the financial statements of Inchcape plc.

##### Inchcape Motors Pension Scheme

At 31 December 2006, the total deficit for this group scheme amounted to £2.8m (2005 £40.1m). As it is not possible to allocate the scheme assets and liabilities to individual participating companies, the Company is unable to identify its share of the underlying assets and liabilities in the schemes. As such, in accordance with FRS 17, for accounting purposes the scheme has been treated as a defined contribution scheme.

A pension cost of £3,410,000 has been charged in 2006 (2005 - £969,000) and outstanding contributions at 31 December 2006 amounted to £Nil (2005 - £Nil). Participating employers are only required to fund the scheme to the extent of the charge put through their profit and loss account (ie their ongoing service cost).

An additional one-off contribution of £17.0m was made by a fellow Group company to the UK pension scheme in March 2006 to partially fund the deficit.

Further details relating to this scheme can be found in the financial statements of Inchcape plc.

### 6 Interest receivable

	2006 £'000	2005 £'000
Bank interest	8	223

### 7 Interest payable

	2006 £'000	2005 £'000
Interest on bank loans and overdrafts	148	280
Interest on loans from group undertakings	406	801
	554	1,081

### 8 Exceptional items

Following the decision to dispose of the Birmingham passenger car franchise in 2003, the company continued to assess the closure provision until 2005. This resulted in a release of £nil (2005 26,000).

# GERARD MANN LIMITED

## Notes to the accounts for the year ended 31 December 2006

### 9 Taxation

a) Taxation (credit)/charge for the period

The taxation (credit)/charge based on the results for the year is made up as follows

	2006 £'000	2005 £'000
UK Corporation Tax at 30% (2005 30%)	605	511
Deferred tax origination and reversal of timing differences	(726)	(103)
Tax (credit)/charge for the period	<u>(121)</u>	<u>408</u>

b) Factors affecting tax (credit)/charge for the period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (30%) The differences are explained below

	2006 £'000	2005 £'000
(Loss)/Profit on ordinary activities before tax	<u>(165)</u>	<u>1,271</u>
Tax at 30% (2005 30%)	(50)	381
<i>Factors affecting charge for the year</i>		
Non-deductible expense	32	8
(Depreciation in excess of capital allowances)/ Accelerated capital allowances	(65)	129
Group relief not paid for	-	(8)
Short term timing differences	531	-
Prior year adjustments	157	-
Other items	-	1
Current tax charge for the period (as above)	<u>605</u>	<u>511</u>

c) Factors that may affect future tax charges

Excluding the impact of exceptional items the anticipated future effective rate of tax for the company will be slightly above or below the UK nominal rate (2006 30%) representing a current year tax charge calculated as the UK nominal rate of tax multiplied by the the accounting profit or loss for the year plus or minus ordinary permanently disallowed items of income and expense

The UK budget announcement of 21 March 2007 included a number of changes to the UK tax rules to be phased in over the financial years 2008/09 - 2010/11 (inclusive) The announcements that will have the most immediate impact to UK companies are the reduction in the rate of UK corporation tax from 30% to 28% and the reduction in tax allowances on plant and machinery from 25% to 20% (plant) and 25% to 10% (building fixtures) for the 2008/09 financial year, followed by the phased abolition of tax allowances (4% pa) on buildings used for an industrial use As at the balance sheet date these changes have not been substantially enacted and hence the deferred tax has not been restated to reflect the reduced tax rates and allowances that have been proposed

### 10 Dividends

No dividends were proposed or paid in 2006 or 2005

# GERARD MANN LIMITED

## Notes to the accounts for the year ended 31 December 2006

### 11 Intangible fixed assets

	Goodwill £'000
<i>Cost</i>	
At 1 January and 31 December 2006	3,129
<i>Amortisation</i>	
At 1 January 2006	722
Charge for the year	171
At 31 December 2006	893
<i>Net book value</i>	
At 31 December 2006	2,236
At 31 December 2005	2,407

### 12 Tangible fixed assets

	Plant and equipment £'000
<i>Cost</i>	
At 1 January 2006	3,323
Additions	668
Disposals	(223)
At 31 December 2006	3,768
<i>Depreciation</i>	
At 1 January 2006	2,532
Charged in the year	384
Disposals	(196)
At 31 December 2006	2,720
<i>Net book value</i>	
At 31 December 2006	1,048
At 31 December 2005	791

### 13 Investments

	Shares in group undertaking £'000
<i>Cost</i>	
At 1 January and 31 December 2006	17,477

The aggregate of the share capital and reserves as at 31 December 2006, and of the profit for the year ended on that date for the subsidiary undertaking was as follows

	% of shares held	Aggregate of share capital and reserves £'000	Profit £'000
Inchcape North West Group Limited	100%	2,481	-

# GERARD MANN LIMITED

## Notes to the accounts for the year ended 31 December 2006

### 14 Stocks

	2006 £'000	2005 £'000
Work in progress	55	63
Finished goods - purchased stock	9,136	8,583
Finished goods - consignment stock	12,015	20,534
	<u>21,206</u>	<u>29,180</u>

Finished goods consist partly of consignment stock that is held on a sale or return basis from the manufacturer. The liability for these vehicles, which bears a financing charge at variable rates, is included in trade creditors (see note 16). Payment becomes due when title passes to the Company which is generally the earlier of six months from delivery to the Company or when they are sold by the Company.

### 15 Debtors

	2006 £'000	2005 £'000
Trade debtors	4,116	5,279
Amounts owed by group undertakings	341	322
Deferred taxation (note 17)	960	234
Prepayments and accrued income	3,307	3,229
	<u>8,724</u>	<u>9,064</u>

### 16 Creditors amounts falling due within one year

	2006 £'000	2005 £'000
Bank loans and overdrafts	3,073	1,957
Deposits received	554	527
Trade creditors	20,822	30,606
Amounts due to group undertakings	13,519	12,587
Corporation tax	-	511
Other taxation and social security costs	66	766
Other creditors	246	147
Accruals and deferred income	3,073	5,539
Dividend proposed	1,000	1,000
	<u>42,353</u>	<u>53,640</u>

On 29 December 2006 as part of the UK re-organisation scheme, the loan due to Inchcape Finance plc was repaid by Inchcape Retail Limited. The balance now due, which is included within Amounts due to group undertakings at 31 December 2006, to Inchcape Retail Limited was £7,743,801 (2005 £10,337,438 due to Inchcape Finance plc). Prior to the settlement of this loan by Inchcape Retail Limited, interest was being borne at 5.09%, resulting in an interest charge of £406,362 (2005 £800,757) as set out in Note 7. No interest is being borne on this loan.

### 17 Deferred taxation

	2006 £'000	2005 £'000
Depreciation in excess of capital allowances	429	234
Short term timing differences	531	-
Deferred taxation asset (Note 15)	<u>960</u>	<u>234</u>

# GERARD MANN LIMITED

## Notes to the accounts for the year ended 31 December 2006

### 18 Called up share capital

	2006 £'000	2005 £'000
Authorised, allotted, called up and fully paid 250,000 Ordinary shares of £1 each	<u>250</u>	<u>250</u>

### 19 Reserves

	Profit & Loss £'000
At 1 January 2006	8,244
Retained loss for the year	(44)
At 31 December 2006	<u>8,200</u>

### 20 Reconciliation of movements in shareholders' funds

	2006 £'000	2005 £'000
Retained (loss)/profit for the year	(44)	863
Opening shareholders' funds	<u>8,494</u>	<u>7,631</u>
Closing shareholders' funds	<u>8,450</u>	<u>8,494</u>

### 21 Commitments under operating leases

Annual commitments under operating leases, analysed over the period when the lease expires are as follows

	Land and buildings 2006 £'000	2005 £'000
Within one year	<u>1,896</u>	<u>1,406</u>

### 22 Contingent liabilities

The Company is party to composite cross guarantees between banks, its ultimate parent undertaking and fellow subsidiaries. The Company's contingent liability under these guarantees at the year end was £113,339 (2005 £3,214,823)

### 23 Cash flow statement

The Company's ultimate parent undertaking is Inchcape plc, a company registered in England and Wales. Accordingly, the Company has taken advantage of the exemption in paragraph 5(a) of Financial Reporting Standard 1 (Revised), Cash Flow Statements and not published its own cash flow statement.

### 24 Parent Undertaking and Controlling Party

The company's immediate parent is Inchcape Motors International Limited, a company registered in England and Wales.

The Directors regard the ultimate parent undertaking to be Inchcape plc, a company registered in England and Wales.

Both the smallest and the largest group of which the Company is a member and for which Group Accounts are drawn up is that of Inchcape plc. Copies of the Report and Accounts for that company are available from

The Company Secretary  
Inchcape plc  
22A St James's Square  
London  
SW1Y 5LP