

**MARSHALL OF CAMBRIDGE (MOTOR HOLDINGS) LIMITED**

**REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31ST DECEMBER 2004**



**Company Number 2051461**

# MARSHALL OF CAMBRIDGE (MOTOR HOLDINGS) LIMITED

## COMPANY INFORMATION

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Directors	M. J. Marshall, CBE DL W.C.M. Dastur R.M. Knight N.B.J. Faben
Secretary	J.D. Barker
Company Number	2051461
Registered Office	Airport House The Airport Newmarket Road Cambridge CB5 8RY
Auditors	Ernst & Young LLP Compass House 80 Newmarket Road Cambridge CB5 8DZ
Solicitors	Greenwoods Solicitors LLP Monkstone House City Road Peterborough PE1 1JE
Bankers	Barclays Bank PLC 15 Bene't Street Cambridge CB2 3PZ

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# MARSHALL OF CAMBRIDGE (MOTOR HOLDINGS) LIMITED

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# MARSHALL OF CAMBRIDGE (MOTOR HOLDINGS) LIMITED

## DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2004

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The directors present their report together with the audited accounts for the year ended 31st December 2004.

### Principal Activities, Review of Business and Future Developments

The activities of the group consist principally of car and commercial vehicle sales, distribution, service and hire. Further details are set out in note 12 to the accounts.

Following the intergration of the acquisitions made in 2003 the Marshall Motor Group is pleased to report better trading results in many areas of the business.

Whilst 2004 continued to be characterised by high levels of competition, Marshall Leasing enjoyed a record year for vehicle orders. Interest rates moved upwards throughout the year but despite this Marshall Leasing has maintained strong and growing levels of profitability. The Directors are satisfied with progress and anticipate further growth in the future.

The market downturn experienced by Marshall Thermo King in 2003 continued into the first half of 2004 making it necessary to reduce headcount and overhead cost. A restructuring was undertaken in the third quarter and some benefit flowed through in the fourth quarter results. Various initiatives to improve the service capability and transparency of transactions with customers were initiated during the fourth quarter. Efforts to persuade Thermo King to align their strategy more closely to market conditions received renewed emphasis.

### Results and Dividends

The results for the year are set out in the profit and loss account on page 6. The directors do not recommend the payment of a final dividend making the total ordinary dividend for the year £2,000,000 (2003 - £2,000,000).

### Directors

The directors who served during the year were:

M. J. Marshall, CBE DL	(Chairman)
W.C.M. Dastur	
R.M. Knight	
N.B.J. Faben	

In accordance with the Articles of Association, W.C.M. Dastur retires and, being eligible, offers himself for re-election.

M.J.Marshall is also a director of the ultimate parent company and his interests in the share capital of the parent company are disclosed in that company's accounts. None of the other directors had any interest in the share capital of the company or of any other group company during the year.

### Political and Charitable Contributions

During the year, the group made no political contributions and various charitable contributions totaling £11,389.

# MARSHALL OF CAMBRIDGE (MOTOR HOLDINGS) LIMITED

## DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2004

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### Employees

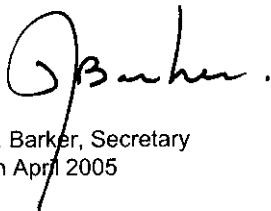
The group makes every effort to comply with its legal obligations regarding the employment of disabled persons, including those who become disabled during the year.

Arrangements are in existence for regular consultation with employees or their representatives to ensure that employees are kept informed and consulted on all relevant matters. These arrangements are continually being updated.

### Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

This report was approved by the board on 26th April 2005, and signed on its behalf.



J.D. Barker, Secretary  
26th April 2005

## **MARSHALL OF CAMBRIDGE (MOTOR HOLDINGS) LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS**

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Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, 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 accounts; and
- Prepare the accounts 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts 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.

## INDEPENDENT AUDITORS' REPORT TO THE

### MEMBERS OF MARSHALL OF CAMBRIDGE (MOTOR HOLDINGS) LIMITED

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We have audited the group's financial statements for the year ended 31st December 2004 which comprise the Group Profit and Loss Account, Group Balance Sheet, Company Balance Sheet and the related notes 1 to 28. These financial statements have been prepared on the basis of 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 auditors' 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

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with United Kingdom law and accounting standards.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read 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 United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and of the group as at 31st December 2004 and of its profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Ernst & Young LLP*

Ernst & Young LLP  
Registered Auditor  
Cambridge  
26th April 2005

# MARSHALL OF CAMBRIDGE (MOTOR HOLDINGS) LIMITED

## GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 2004

	Notes	2004 £	2003 £
<b>Turnover</b>			
Existing operations	2	466,065,839	382,548,366
Acquired operations		-	5,627,752
		<u>466,065,839</u>	<u>388,176,118</u>
 Cost of Sales		 <u>397,116,379</u>	 <u>329,322,463</u>
<b>Gross Profit</b>		<b>68,949,460</b>	<b>58,853,655</b>
 Distribution costs		 <u>6,162,337</u>	 <u>5,258,313</u>
Administrative expenses		<u>56,089,743</u>	<u>49,000,018</u>
		<u>6,697,380</u>	<u>4,595,324</u>
<b>Operating Profit</b>			
Existing operations	3	6,697,380	4,549,202
Acquired operations		-	46,122
		<u>6,697,380</u>	<u>4,595,324</u>
 <b>Exceptional Item</b>			
Profit on sale of fixed assets	6	<u>2,719,521</u>	<u>1,616,145</u>
		<u>9,416,901</u>	<u>6,211,469</u>
 Interest receivable		 37,055	 24,044
Interest payable and similar charges	4	<u>(1,702,746)</u>	<u>(1,327,509)</u>
<b>Profit on Ordinary Activities before Taxation</b>		<b>7,751,210</b>	<b>4,908,004</b>
 Tax on profit on ordinary activities	5	<u>1,936,213</u>	<u>408,733</u>
<b>Profit on Ordinary Activities after Taxation</b>		<b>5,814,997</b>	<b>4,499,271</b>
 <b>Minority interests</b>		 <u>1,186</u>	 <u>1,351</u>
 <b>Profits for the Financial Year Attributable to Members of the Parent Company</b>	21	<b>5,813,811</b>	<b>4,497,920</b>
 Dividends: ordinary interim dividends on equity shares	7	<u>2,000,000</u>	<u>2,000,000</u>
 <b>Retained Profit for the Year</b>		<b>3,813,811</b>	<b>2,497,920</b>
 <b>Retained Profit Brought Forward</b>		<u>46,617,026</u>	<u>44,119,106</u>
<b>Retained Profit Carried Forward</b>		<u><u>50,430,837</u></u>	<u><u>46,617,026</u></u>

All amounts relate to continuing activities.

There were no recognised gains or losses for 2004 or 2003 other than those included in the profit and loss account.



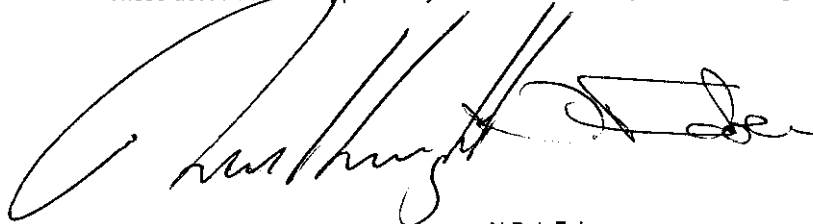
# MARSHALL OF CAMBRIDGE (MOTOR HOLDINGS) LIMITED

## GROUP BALANCE SHEET

AS AT 31ST DECEMBER 2004

	Notes	2004 £	2003 £
<b>Fixed Assets</b>			
Intangible assets	10	1,838,813	2,058,665
Tangible assets	11	<u>53,362,130</u>	<u>49,158,948</u>
		<b>55,200,943</b>	<b>51,217,613</b>
<b>Current Assets</b>			
Stocks	13	55,394,651	58,693,601
Debtors	14	26,277,430	22,802,804
Current asset investments	15	6,000	6,000
Cash at bank and in hand		<u>885,569</u>	<u>1,131,666</u>
		<b>82,563,650</b>	<b>82,634,071</b>
<b>Creditors: Amounts falling due within one year</b>	16	<u>70,058,018</u>	<u>72,226,736</u>
<b>Net current assets</b>		<b>12,505,632</b>	<b>10,407,335</b>
<b>Total assets less current liabilities</b>		<b>67,706,575</b>	<b>61,624,948</b>
<b>Creditors: Amounts falling due after more than one year</b>	17	<u>14,998,209</u>	<u>12,742,579</u>
		<b>52,708,366</b>	<b>48,882,369</b>
<b>Minority interests</b>		<b>27,529</b>	<b>15,343</b>
		<u><b>52,680,837</b></u>	<u><b>48,867,026</b></u>
<b>Capital and reserves</b>			
Called up share capital	20	2,250,000	2,250,000
Profit and loss account	21	<u>50,430,837</u>	<u>46,617,026</u>
<b>Equity Shareholders' Funds</b>	22	<u><b>52,680,837</b></u>	<u><b>48,867,026</b></u>

These accounts were approved by the board on 26th April 2005, and signed on its behalf.



R.M. Knight  
Director

N.B.J. Faben  
Director

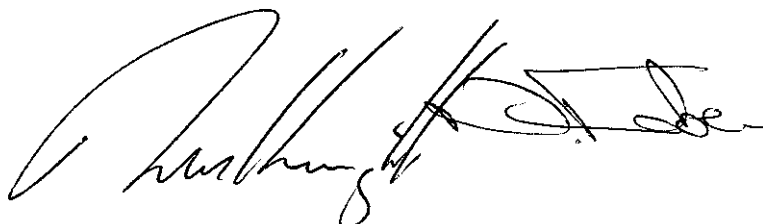
# MARSHALL OF CAMBRIDGE (MOTOR HOLDINGS) LIMITED

## BALANCE SHEET

AS AT 31ST DECEMBER 2004

	Notes	2004 £	2003 £
<b>Fixed Assets</b>			
Investments	12	12,865,493	12,013,039
<b>Current Assets</b>			
Debtors	14	436,777	2,214
<b>Creditors: Amounts falling due within one year</b>	16	<u>6,593,452</u>	<u>5,200,801</u>
<b>Net current assets</b>		<u>(6,156,675)</u>	<u>(5,198,587)</u>
<b>Total assets less current liabilities</b>		6,708,818	6,814,452
<b>Creditors: Amounts falling due after more than one year</b>		-	346,500
		<u>6,708,818</u>	<u>6,467,952</u>
<b>Capital and reserves</b>			
Called up share capital	20	2,250,000	2,250,000
Profit and loss account	21	<u>4,458,818</u>	<u>4,217,952</u>
<b>Equity Shareholders' Funds</b>	22	<u>6,708,818</u>	<u>6,467,952</u>

These accounts were approved by the board on 26th April 2005, and signed on its behalf.



R.M. Knight  
Director

N.B.J. Faben  
Director

# MARSHALL OF CAMBRIDGE (MOTOR HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2004

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### 1 Accounting Policies

#### Accounting convention and basis of consolidation

The group accounts have been prepared under the historical cost convention and comply with all applicable accounting standards.

The group accounts consolidate the accounts of the parent company and its subsidiary undertakings, all of which are made up to 31st December each year.

All acquisitions are accounted for on a fair value basis.

No profit and loss account is prepared for the parent company as provided by Section 230 of the Companies Act 1985.

#### Turnover

Turnover comprises group sales and charges for services rendered during the year, including sales to other group companies but excluding value added tax and inter-company sales within the Marshall of Cambridge (Motor Holdings) Limited group, except in the case of long term work-in-progress where turnover represents the value of work done during the year. All turnover arises in the United Kingdom.

#### Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful life as follows:

Freehold buildings	25 years	
Leasehold properties	over the lease term	(to a maximum of 25 years)
Leasehold improvements	over the lease term	(to a maximum of 25 years)
Plant and equipment	5-10 years	
Motor vehicles	4 years	(except leased vehicles)
Computer equipment	2-5 years	
Assets held for contract lease	over the lease term	

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

#### Goodwill

Purchased goodwill is capitalised as an intangible asset and amortised on a straight line basis over an appropriate period not exceeding 20 years. Where a business is sold, or where goodwill has been impaired, the net book value or the amount of impaired goodwill, as applicable, is charged through the profit and loss account in the year of disposal or impairment.

#### Stocks

Stocks and work-in-progress are valued at the lower of cost and net realisable value. Work-in-progress reflects the cost of labour and materials only.

Profit on long term contracts is taken, as the work is carried out, if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis and the resulting turnover together with related costs are recorded as the contract progresses.

Stocks held on consignment are accounted for in the balance sheet when the terms of a consignment agreement and commercial practice indicate that the principle benefit of owning the stock (the ability to sell it) and principle risks of ownership (stockholding cost, responsibility for safe-keeping and some risk of obsolescence) rest with the group.

# MARSHALL OF CAMBRIDGE (MOTOR HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31ST DECEMBER 2004

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#### 1 Accounting Policies (continued)

##### Deferred Taxation

Deferred tax is recognised in respect of timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or a right to pay less, tax in the future have occurred at the balance sheet date, with the following exceptions:

- provision is made for gains on disposal of fixed assets that have been rolled over into replacement assets only where, at the balance sheet date, there is a commitment to dispose of the replacement assets.
- provision is made for the tax that would arise on remittance of the retained earnings of overseas subsidiaries only to the extent that, at the balance sheet date, dividends have been accrued as receivable.
- deferred tax assets are recognised only to the extent that the Directors consider that it is 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 is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

##### Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

##### Contribution to Pension Funds

FRS 17 'Retirement Benefits' was issued on 30 November 2000 and is mandatory for years commencing on or after 1 January 2005. Although full adoption is not yet required, the transitional arrangements of the standard state that certain disclosures should be made and these are included in note 26.

The Marshall group operates a number of different pension funds, including both defined contribution and defined benefit schemes for employees of the group. The assets of all the schemes are held in separately administered trust funds. For the defined contribution schemes, contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Contributions to defined benefit schemes are charged to the profit and loss account so as to spread the cost of pensions over the expected working lives of the employees within the group. The regular cost is attributed to individual years using the attained age method. Variations in pension cost, which are identified as a result of actuarial valuations, are amortised over the average expected working lives of employees in proportion to their expected payroll costs. Differences between the amounts funded and the amounts charged to the profit and loss account are treated as either provisions or prepayments in the balance sheet of the ultimate holding company.

# MARSHALL OF CAMBRIDGE (MOTOR HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2004

### 1 Accounting Policies (continued)

#### Leasing and Hire Purchase Contracts

Assets leased out under finance leases, which are leases where substantially all the risks and rewards of ownership of the assets are passed to the lessee, and hire purchase contracts, are both shown as debtors in the balance sheet at the amount of the net investment in the lease. The interest elements of the rental obligations are credited to the profit and loss account over the period of the lease and are apportioned on the basis of the rule of 78.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Rental income from operating leases is recognised on a straight line basis over the period of the lease.

#### Property Development

Building projects are recorded as work-in-progress at cost, less payments on account until completion. Costs include direct materials, labour and other services (including charges by sub-contractors).

### 2 Turnover

Turnover is all attributable to the principal activity of the company, which is car and commercial vehicle sales, distribution and service. All turnover arises from continuing activities within the United Kingdom.

### 3 Operating Profit

The operating profit is arrived at after charging or (crediting):

	2004 £	2003 £
Depreciation of owned assets	10,858,508	10,557,697
Amortisation of goodwill	219,852	68,980
Loss/(Profit) on disposal of fixed assets	(96,862)	220,332
Hire of equipment	180,831	147,990
Operating lease rentals	2,988,741	2,456,649
Auditors' remuneration - non audit work	64,510	63,125
Auditors' remuneration - audit	152,000	145,000
Rental income	(42,223)	(309,836)

### 4 Interest Payable and Similar Charges

	2004 £	2003 £
Bank overdrafts and loans	1,123,861	856,719
Stock finance charges and other interest payable	578,885	470,790
	1,702,746	1,327,509

# MARSHALL OF CAMBRIDGE (MOTOR HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2004

### 5 Tax on Profit on Ordinary Activities

#### a) Analysis of tax charge in the year

	2004 £	2003 £
<b>UK Corporation Tax</b>		
Based on profit for the year at 30% (2003 - 30%)	1,679,367	1,075,554
Group relief	-	185,260
Prior Periods	(5,017)	(396,121)
Current tax charge	1,674,350	864,693
<b>Deferred Tax</b>		
Charge for the year	272,828	(456,858)
Prior periods	(10,965)	898
Deferred Tax charge	261,863	(455,960)
	1,936,213	408,733

#### b) Factors affecting tax charge for the year

	2004 £	2003 £
Profit on ordinary activities before tax	7,751,210	4,908,004
Profit on ordinary activities before tax at 30% (2003 - 30%)	2,325,363	1,472,402
Effect of:		
Disallowed expenses and non-taxable income	211,916	324,392
Accounting depreciation in excess of tax depreciation	(112,529)	76,298
Short term timing differences	(66,082)	11,121
Capital gains not taxed in the year	(542,565)	(237,942)
Adjustments in respect of previous periods	(5,017)	(396,121)
Indexation allowances and rebasing	(136,736)	(385,457)
Current tax charge	1,674,350	864,693

#### c) Factors that may affect future tax charges

No provision has been made for deferred tax on gains recognised on revaluing property to its market value or on the sale of properties where taxable gains have been rolled over into replacement assets. Such tax would become payable only if the properties concerned were sold without it being possible to claim rollover relief. The total amount un-provided is £1,009,660 (2003 - £873,964). At present, it is not envisaged that any tax will become payable in the foreseeable future.

In addition, the group has not recognised a potential deferred tax asset of £33,975 (2003 - £34,500), being the element of the full potential deferred tax assets that relates to capital allowances on buildings. The asset will be recoverable if, in the year in which it is realised, the group has sufficient taxable profits.

# MARSHALL OF CAMBRIDGE (MOTOR HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2004

### 6 Exceptional Items

	2004 £	2003 £
<i>Exceptional non-operating profit</i>		
Profit on sale of fixed assets	<u>2,719,521</u>	<u>1,616,145</u>

### 7 Dividends

	2004 £	2003 £
Equity dividends on ordinary shares:		
Interim proposed 88.89p (2003 - 88.89p)	<u>2,000,000</u>	<u>2,000,000</u>

### 8 Profit for the Year Attributable to Members of the Parent Company

The profit dealt with in the accounts of the parent company was £2,240,866 (2003 - £1,993,364).

### 9 Directors and Employees

Staff costs, including directors' remuneration, were as follows:

	2004 £	2003 £
Wages and salaries	41,293,935	34,285,866
Social security costs	4,102,315	3,528,686
Other pension costs	862,614	1,074,287
Other costs	250,546	132,172
	<u>46,509,410</u>	<u>39,021,011</u>

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

	2004 number	2003 number
Administration	358	316
Productive	1,589	1,544
	<u>1,947</u>	<u>1,860</u>

Directors emoluments

	2004 £	2003 £
Emoluments	<u>198,019</u>	<u>154,257</u>

Retirement benefits were accruing to directors under schemes as follows:-

	2004 number	2003 number
Defined benefit schemes	<u>1</u>	<u>1</u>

Some of the directors of the company are also directors of the ultimate holding company and fellow subsidiaries. The directors do not believe that it is practicable to apportion their total remuneration between their services as directors of the company and their services as directors of the holding and fellow subsidiary companies. The amounts are therefore disclosed in full in the ultimate parent company's accounts.

# MARSHALL OF CAMBRIDGE (MOTOR HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2004

### 10 Intangible assets

	Goodwill £
<b>Cost</b>	
At 1st January and 31st December 2004	2,198,497
<b>Amortisation</b>	
At 1st January 2004	139,832
Provided during the year	219,852
<b>At 31st December 2004</b>	359,684
<b>Net book values</b>	
At 1st January 2004	2,058,665
<b>At 31st December 2004</b>	1,838,813

### 11 Tangible Fixed Assets

	Freehold Land and Buildings	Long Leasehold Land and Buildings	Motor Vehicles	Plant and Equipment	Computer Equipment	Assets Held for contract Rental	Total
	£	£	£	£	£	£	£
<b>Cost</b>							
At 1st January 2004	22,227,565	1,794,943	4,191,890	12,638,356	3,918,472	38,273,266	83,044,492
Additions	4,665,668	221,585	906,303	1,021,374	329,161	14,696,438	21,840,529
Disposals	(3,002,796)	-	(1,563,942)	(894,017)	(68,311)	(11,309,095)	(16,838,161)
Asset reclassification	-	-	216,297	-	-	(216,297)	-
<b>At 31st December 2004</b>	<b>23,890,437</b>	<b>2,016,528</b>	<b>3,750,548</b>	<b>12,765,713</b>	<b>4,179,322</b>	<b>41,444,312</b>	<b>88,046,860</b>
<b>Depreciation</b>							
At 1st January 2004	5,045,864	235,541	2,833,395	9,909,211	2,727,826	13,133,707	33,885,544
Charge for the year	489,649	52,262	681,245	1,049,045	594,783	7,991,524	10,858,508
Disposals	(1,114,975)	-	(1,022,173)	(883,042)	(62,227)	(6,976,905)	(10,059,322)
Asset reclassification	-	-	100,707	-	-	(100,707)	-
<b>At 31st December 2004</b>	<b>4,420,538</b>	<b>287,803</b>	<b>2,593,174</b>	<b>10,075,214</b>	<b>3,260,382</b>	<b>14,047,619</b>	<b>34,684,730</b>
<b>Net book value</b>							
<b>At 31st December 2004</b>	<b>19,469,899</b>	<b>1,728,725</b>	<b>1,157,374</b>	<b>2,690,499</b>	<b>918,940</b>	<b>27,396,693</b>	<b>53,362,130</b>
At 31st December 2003	17,181,701	1,559,402	1,358,495	2,729,145	1,190,646	25,139,559	49,158,948

In addition to the above assets, the group has purchased assets with an original cost of £855,602 (2003 - £988,852) for the purposes of letting finance leases.



# MARSHALL OF CAMBRIDGE (MOTOR HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2004

### 12 Fixed asset investments

	2004 £	2003 £
Shares in group undertakings		
At 1st January	12,013,039	12,013,039
Additions	1,089,000	-
Disposals	(236,546)	-
At 31st December	12,865,493	12,013,039

The investments comprise the following undertakings:

Marshall Motor Group Limited  
Marshall of Cambridge (Garage Properties) Limited  
Marshall Leasing Limited  
Brunswick Croydon Limited  
Marshall Thermo King Limited  
Marshall Commercial Vehicles Limited  
Tim Brinton Cars Limited  
Fellhouse Limited  
Marshall of Ipswich Limited  
Marshall of Peterborough Limited

Marshall of Ipswich Limited and Marshall of Peterborough Limited are 99% owned by Marshall of Cambridge (Motor Holdings) Limited.  
The other companies above are wholly owned by Marshall of Cambridge (Motor Holdings) Limited.

All of the above subsidiary undertakings carry on the business of car and commercial vehicle sales, distribution, service, hire and associated activities, except Marshall of Cambridge (Garage Properties) Limited (property holding) and Marshall Commercial Vehicles Limited which is dormant.

During the year the following dormant companies were dissolved:

Marshall (Stamford) Limited  
Marshall Autostores Limited  
Marshall (St Neots) Limited  
Anglia Daf Trucks Limited  
Anglia Daf Trucks (Sales) Limited  
Marshall of Huntingdon Limited  
Ted Salisbury & Sons Limited  
Midland Regional Credit Service Limited  
TBC Euro Cars Limited

# MARSHALL OF CAMBRIDGE (MOTOR HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2004

13 Stocks	2004 £	Group 2003 £
Work in progress	396,844	441,702
Goods for resale	54,997,807	58,251,899
	<b>55,394,651</b>	<b>58,693,601</b>

The replacement cost of stocks is not significantly different from the value included in the balance sheet.

At 31st December 2004 the company held new cars on consignment from manufacturers of £10,816,849 (2003 - £14,219,964) which are included in goods for resale.

14 Debtors	2004 £	Group 2003 £	2004 £	Company 2003 £
Trade debtors	18,038,051	19,988,018	273	122
Amounts owed by group undertakings	6,116,983	14,664	436,504	-
Finance lease and hire purchase receivables	467,855	496,944	-	-
Other debtors	539,667	1,185,626	-	-
Prepayments and accrued income	1,114,874	1,117,552	-	2,092
	<b>26,277,430</b>	<b>22,802,804</b>	<b>436,777</b>	<b>2,214</b>

During the year the group received gross rentals of £301,552 (2003 - £411,048) in respect of finance leases and hire purchase contracts.

Other debtors includes £nil (2003 - £384,096) relating to corporation tax recoverable and £534,747 (2003 - £801,530) relating to deferred corporation tax recoverable.

15 Current Asset investments	2004 £	2003 £
Unlisted investments	6,000	6,000

16 Creditors: Amounts Falling Due Within One Year	2004 £	Group 2003 £	2004 £	Company 2003 £
Other loans due within one year (note 18)	346,500	-	346,500	-
Bank loans and overdrafts (note 18)	10,158,520	10,944,478	878	-
Trade creditors	50,429,072	50,790,777	-	-
Amounts owed to group undertakings	1,074,515	4,178,111	6,242,102	5,198,544
Corporation tax	644,736	-	660	466
Other taxes and social security costs	2,214,089	1,440,477	-	-
Proposed dividends	2,000,000	2,000,000	-	-
Other creditors	957,079	911,491	3,312	1,791
Accruals and deferred income	2,233,507	1,961,402	-	-
	<b>70,058,018</b>	<b>72,226,736</b>	<b>6,593,452</b>	<b>5,200,801</b>

The bank overdraft represents unpaid cheques under the group treasury arrangement.

# MARSHALL OF CAMBRIDGE (MOTOR HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2004

17 Creditors: Amounts Falling Due After One Year	2004 £	Group 2003 £	2004 £	Company 2003 £
Other loans and overdrafts (Note 18)	10,975,423	9,299,304	-	346,500
Accruals and deferred income	4,022,786	3,443,275	-	-
	<b>14,998,209</b>	<b>12,742,579</b>	<b>-</b>	<b>346,500</b>

18 Loans	2004 £	Group 2003 £
Bank Loans	21,133,943	19,897,282
Loan Notes	346,500	346,500
Wholly repayable within 5 years	<b>21,480,443</b>	<b>20,243,782</b>
Less : amounts due within one year (note 16)	10,505,020	10,944,478
Amount due after more than one year (note 17)	<b>10,975,423</b>	<b>9,299,304</b>
Amounts repayable:		
In one year or less, or on demand	10,505,020	10,944,478
Between one and two years	8,250,004	7,241,791
Between two and five years	2,725,419	2,057,513
	<b>21,480,443</b>	<b>20,243,782</b>

Bank loans are secured by means of a fixed charge over specific vehicles held for leasing.

	2004	Company 2003
Bank Loans	878	
Loan Notes	346,500	346,500
Wholly repayable within 5 years	<b>347,378</b>	<b>346,500</b>
Less : amounts due within one year (note 16)	347,378	-
Amount due after more than one year (note 17)	<b>-</b>	<b>346,500</b>
Amounts repayable :		
In one year or less, or on demand	347,378	-
Between one and two years	-	346,500
Between two and five years	-	-
	<b>347,378</b>	<b>346,500</b>

# MARSHALL OF CAMBRIDGE (MOTOR HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2004

### 19 Deferred Taxation

The movements in deferred taxation during the current and previous years are as follows:

	2004 £	2003 £
At 1st January	(801,530)	(345,570)
Profit and loss account	277,748	(456,858)
Prior year	(10,965)	898
	<u>(534,747)</u>	<u>(801,530)</u>

The deferred tax asset provided and not provided in the accounts is as follows:

	Amount Provided		Amount Unprovided	
	2004 £	2003 £	2004 £	2003 £
Depreciation in advance of capital allowances	(322,947)	(502,360)	(33,975)	(46,478)
Other timing differences	(211,800)	(299,170)	-	(953)
Capital losses	-	-	-	(76,950)
Rolled over gain	-	-	1,009,660	873,964
	<u>(534,747)</u>	<u>(801,530)</u>	<u>975,685</u>	<u>749,583</u>

### 20 Share Capital

	2004 £	2003 £
<b>Authorised</b>		
2,500,000 Ordinary shares of £1 each	<u>2,500,000</u>	<u>2,500,000</u>
<b>Allotted, called up and fully paid</b>		
2,250,000 Ordinary shares of £1 each	<u>2,250,000</u>	<u>2,250,000</u>

### 21 Reserves

	Group Profit and loss account £
At 1st January 2003	44,119,106
Profit for the year	4,497,920
Dividends	<u>(2,000,000)</u>
At 1st January 2004	46,617,026
Profit for the year	5,813,811
Dividends	<u>(2,000,000)</u>
At 31st December 2004	<u>50,430,837</u>
	Company Profit and loss account £
At 1st January 2003	4,224,588
Profit for the year	1,993,364
Dividends	<u>(2,000,000)</u>
At 1st January 2004	4,217,952
Profit for the year	2,240,866
Dividends	<u>(2,000,000)</u>
At 31st December 2004	<u>4,458,818</u>

# MARSHALL OF CAMBRIDGE (MOTOR HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2004

### 22 Reconciliation of Shareholders' Funds

	2004 £	Group 2003 £
Profit for the financial year	5,813,811	4,497,920
Dividends	(2,000,000)	(2,000,000)
Increase in the shareholders' funds	3,813,811	2,497,920
Opening shareholders' funds	48,867,026	46,369,106
Closing shareholders' funds	52,680,837	48,867,026

	2004 £	Company 2003 £
Profit for the financial year	2,240,866	1,993,364
Dividends	(2,000,000)	(2,000,000)
Decrease in the shareholders' funds	240,866	(6,636)
Opening shareholders' funds	6,467,952	6,474,588
Closing shareholders' funds	6,708,818	6,467,952

### 23 Capital Commitments

The Group had the following capital commitments:

	2004 £	2003 £
Contracted for but not provided in the accounts	3,700,000	-

### 24 Contingent Liabilities

At 31st December 2004, Marshall of Cambridge (Motor Holdings) Limited guaranteed the amounts owing by a subsidiary undertaking, Marshall Leasing to Barclays Mercantile to the amount of £21,133,943 (2003 - £19,897,282).

### 25 Operating Lease Commitments

At 31st December 2004 the group had annual commitments under non-cancellable operating leases as set out below:

	Land and Buildings	
	2004 £	2003 £
Operating leases which expire:		
Within one year	1,516,234	1,587,383
Between two and five years	323,472	359,139
After five years	844,221	744,496
	2,683,927	2,691,018

# MARSHALL OF CAMBRIDGE (MOTOR HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2004

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### 26 Pension Scheme

The company participates in pension schemes operated by the group as a whole. In certain of these schemes company contributions are based on an allocation of the combined pension cost for all participating companies. The scheme which has elements of both defined benefit and defined contribution, is known as the Marshall Group Executive Pension Plan (the "Plan"). The defined contribution type schemes, which cover 95% of group scheme members, were established in 1982 and 1988. The total pension cost for the year for Marshall of Cambridge (Motor Holdings) Limited in respect of all defined contribution schemes was £708,446 (2003 - £833,083). The total defined benefit pension cost for Marshall of Cambridge (Motor Holdings) Limited was £154,168 (2003 - £178,939).

A valuation of this scheme was carried out as at 5th April 2002 using assumptions advised by the scheme's qualified actuarial advisers. An outline of the results of this valuation is included in the financial statements of the ultimate parent undertaking, Marshall of Cambridge (Holdings) Limited.

The unpaid contributions outstanding at the year end are £112,165 (2003 - £90,425).

The company participates in the defined benefit section of the Marshall Group Executive Plan Pension Scheme. It is not practicable to apportion the underlying assets and liabilities of the scheme to the individual companies. As disclosed in the group accounts, there is a deficit on the scheme of £3,749,141 (2003 - £3,857,000) as calculated in accordance with FRS17.

### 27 Related Parties

The company has taken advantage of the exemption in FRS8 from disclosing transactions with related parties that are part of the Marshall of Cambridge (Holdings) Limited group or investees of the group.

### 28 Ultimate Parent Undertaking

The parent company of the largest group of undertakings for which group accounts are drawn up and of which the company is a member is Marshall of Cambridge (Holdings) Limited, and this is both the immediate parent undertaking and the ultimate parent company.

Copies of the group accounts can be obtained from Marshall of Cambridge (Holdings) Limited, Airport House, The Airport, Cambridge, CB5 8RY.