

READES OF TELFORD LIMITED

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2003

Registered Number : 02591363



READES OF TELFORD LIMITED

CONTENTS

YEAR ENDED 31 DECEMBER 2003

PAGE

- 1 Directors' Report
- 2 Directors' Responsibilities Statement
- 2 Independent Auditors' Report
- 3 Profit and Loss Account
- 4 Balance Sheet
- 5 Notes to the Financial Statements

READES OF TELFORD LIMITED

1

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2003

The directors have pleasure in submitting their report and the audited financial statements of the company for the year ended 31 December 2003.

RESULTS AND DIVIDENDS

The results are shown in the profit and loss account on page 3. The directors do not recommend the payment of a dividend (2002 : £nil).

REVIEW OF ACTIVITIES

The company has not traded during the year.

DIRECTORS

The directors during the year were as follows:

T G Finn
M S Casha
D R Forsyth
H C Sykes
Pendragon Management Services Limited

DIRECTORS' INTERESTS

None of the directors had any interest in the share capital of the company (2002 : none). The interests of the directors in the share capital of the ultimate parent company are shown in the financial statements of that company.

During the year none of the directors had a material interest in any contract of significance in relation to the company's activities (2002 : none).

AUDITORS

A resolution to re-appoint KPMG Audit Plc as auditors will be proposed at the forthcoming Annual General Meeting.

On behalf of the Board

H C Sykes
Secretary



Loxley House
Little Oak Drive
Annesley
Nottinghamshire
12 February 2004

DIRECTORS' RESPONSIBILITIES STATEMENT

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF READES OF TELFORD LIMITED

We have audited the financial statements on pages 3 to 5.

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 are responsible for preparing the directors' report and, as described above, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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.


Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes an 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 company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2003 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



KPMG Audit Plc
Birmingham
Chartered Accountants
Registered Auditor

12 February 2004

READES OF TELFORD LIMITED

3

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2003

Note		2003 £	2002 £
2	TURNOVER	-	246,000
	Cost of sales	-	(246,000)
	RESULT FOR THE FINANCIAL YEAR	-	-

All amounts relate to discontinued operations.

There have been no movements shareholder's funds during the year.

There are no other recognised gains or losses other than the results for the respective financial years as shown above.

The notes on page 5 form part of these financial statements.

READES OF TELFORD LIMITED

4

BALANCE SHEET

AT 31 DECEMBER 2003

Note		2003 £	2002 £
4	DEBTORS	2	2
	NET ASSETS	2	2
	CAPITAL AND RESERVES		
5	Called up share capital	2	2
	EQUITY SHAREHOLDERS' FUNDS	2	2

Approved by the Board of Directors on 12 February 2004 and signed on its behalf by :



D R Forsyth
Director

The notes on page 5 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2003

1 ACCOUNTING POLICIES

(a) Accounting convention. The financial statements have been prepared in accordance with applicable accounting standards using the historical cost convention. The financial statements have been prepared on a going concern basis.

(b) Turnover. Turnover represents sales invoiced to third parties exclusive of value added tax.

(c) Cash flow statement. As a wholly owned subsidiary undertaking of Pendragon PLC, the company has relied upon the exemption in Financial Reporting Standard 1 (revised) and has not included a cash flow statement as part of these financial statements.

(d) Related parties. Under Financial Reporting Standard 8 the company has relied upon the exemption not to disclose related party transactions with other group undertakings as they are all included in the Pendragon PLC consolidated financial statements.

2 TURNOVER

All turnover arises in the United Kingdom from the company's principal activities.

3 EMPLOYEES

The average number employed by the company during the year was nil (2002 : nil).

No director of the company received any remuneration for services to the company during the year (2002 : £nil).

4 DEBTORS

	2003 £	2002 £
Amounts owed by group undertakings	2	2

5 CALLED UP SHARE CAPITAL

	2003 £	2002 £
Authorised :		
1,000 (2002 : 1,000) ordinary shares of £1.00 each	1,000	1,000
Allotted, called up and fully paid :		
2 (2002 : 2) ordinary shares of £1.00 each	2	2

6 ULTIMATE PARENT COMPANY AND PARENT UNDERTAKING OF LARGER GROUP OF WHICH COMPANY IS A MEMBER

The company's ultimate parent company is Pendragon PLC which is incorporated in England and Wales. The largest and smallest group in which the results of the company are consolidated is that headed by Pendragon PLC. Financial statements of Pendragon PLC for the year ended 31 December 2003 are available from the Company Secretary, Pendragon PLC, Loxley House, Little Oak Drive, Annesley, Nottinghamshire, NG15 0DR.