

# **Inchcape Pension Trustee Limited**

(Registered Number: 3405112)

## **Annual Report and Accounts**

**For the year ended 31 December 2004**



22a St. James's Square  
London  
SW1Y 5LP

# Inchcape Pension Trustee Limited

## Directors' Report

The directors present their report and the unaudited financial statements of the company for the year ended 31 December 2004.

### Principal activities

The company did not trade during the year.

### Review of business and future developments

It is not envisaged that there will be any change in the company's activities in the foreseeable future.

### Results and dividends

The company did not trade during the year, therefore no profit and loss account has been prepared.

There were no dividends paid throughout the year (2003: £nil). The directors do not recommend the payment of a final dividend (2003: £nil).

### Directors and their interests

The directors who held office during the year were as follows:

R J Baker (alternate to A A Macaskill)  
D F Butcher  
S Lock  
A A Macaskill  
H E Norton  
N P Smith  
P S Wilson

H E Norton is a Director of the ultimate parent undertaking, Inchcape plc, and his interests in the ordinary shares of 150.0p each of Inchcape plc are disclosed in the accounts of that company.

No director had any interest in the shares of the company (or any of its subsidiary undertakings) at either 1 January 2004 or 31 December 2004.

The table below shows the beneficial interests, other than share options, including family interests, on the dates indicated, in the ordinary shares of 150.0p each of Inchcape plc, the ultimate parent undertaking, of the persons who were directors at 31 December 2004.

	Ordinary shares of 150.0p each	
	31 December 2004	1 January 2004
D F Butcher	14,508	11,312
N P Smith	1,429	255
P S Wilson	5,934	9,154

### Directors' share options

Details of share options held by directors, including those held under the Inchcape 1999 Share Option Plan and the Inchcape SAYE Share Option Scheme, together with details of awards under the Inchcape Deferred Bonus Plan, are shown on pages 2 and 3.

# Inchcape Pension Trustee Limited

## Directors' Report (continued)

### Directors' share options (continued)

	Held at 31.12.04	Granted during the year	Exercised/ lapsed during the year	Held at 1.1.04	Exercise price (c)	Exercisable between
D F Butcher	-	-	16,927 (a)	16,927 (a)	384.0p	Mar 2004 – Mar 2011
	-	-	3,145 (b)	3,145 (b)	308.0p	Jun 2004 – Dec 2004
	11,842 (a)	-	-	11,842 (a)	685.0p	Mar 2005 – Mar 2012
	11,177 (a)	-	-	11,177 (a)	762.0p	Mar 2006 – Mar 2013
	14,694(a)	14,694 (a)	-	-	1572.0p	May 2007 – May 2014
	709 (b)	709 (b)	-	-	1171.0p	Jun 2007 – Dec 2007
N P Smith	5,774 (a)	-	-	5,744 (a)	762.0p	Mar 2006 – Mar 2013
	9,860 (a)	9,860 (a)	-	-	1572.0p	May 2007 – May 2014
	804 (b)	804 (b)	-	-	1171.0p	Jun 2007 – Dec 2007
	5,530 (a)	5,530 (a)	-	-	1555.0p	Sep 2007 – Sep 2014
P S Wilson	-	-	17,773 (a)	17,773 (a)	384.0p	Mar 2004 – Mar 2011
	12,434 (a)	-	-	12,434 (a)	685.0p	Mar 2005 – Mar 2012
	11,736 (a)	-	-	11,736 (a)	762.0p	Mar 2006 – Mar 2013
	1,549 (a)	-	-	1,549 (b)	610.0p	Jun 2006 – Dec 2006
	15,744 (a)	15,744 (a)	-	-	1572.0p	May 2007 – May 2014

(a) Under the Inchcape 1999 Share Option Plan.

(b) Under the Inchcape SAYE Share Option Scheme.

(c) Exercise prices are determined in accordance with the rules of the relevant share option scheme.

### Notes on share options

(i) All options were granted for nil consideration.

(ii) The table shows directors' options over ordinary shares of 150.0p each of Inchcape plc at 1 January 2004 and 31 December 2004. The mid market price of the shares at the close of business on 31 December 2004 was 1955.0p. The price range during 2004 was 1287.0p to 1955.0p.

(iii) Options under the Inchcape 1999 Share Option Plan are granted on a discretionary basis to certain other full time senior executives based within and outside the UK including the Executive Directors of Inchcape plc. Such options are normally exercisable between three and ten years of grant.

(iv) Options may normally only be exercised if the performance target has been met. For all options granted in 1999, 2000, 2001, 2002 and 2003 under the Inchcape 1999 Share Option Plan, growth in Inchcape plc's earnings per share over a three year period must exceed the increase in the UK Retail Price Index ("RPI") over the same period by 3.0% per annum. Options granted after the 2004 AGM vest according to a sliding scale: 25.0% of the option will vest if EPS growth of RPI +3.0% per annum is achieved over the initial three year period, with all of the option vesting if EPS growth is RPI +8.0% per annum. Options will vest on a straight line basis between these points and there is no opportunity to retest.

# Inchcape Pension Trustee Limited

## Directors' Report (continued)

### Directors' share options (continued)

#### Notes on share options (continued)

- (v) The Inchcape SAYE Share Option Scheme is open to employees in the UK with at least three months service. Participants make monthly savings for a three year period. At the end of the savings period options become exercisable within a six month period.

#### Deferred Bonus Plan

The number of ordinary shares of 150.0p each of Inchcape plc awarded to directors under the Inchcape Deferred Bonus Plan are:

	Awarded ordinary shares 31.12.04	Awarded ordinary shares exercised during the year	Ordinary shares awarded during the year	Awarded ordinary shares 1.1.04	Market value of shares awarded	Exercise period
	-	8,333	-	8,333	390.0p	Apr 2004 – Oct 2004
D F Butcher	4,661	-	-	4,661	724.0p	Apr 2005 – Oct 2005
	4,679	-	-	4,679	748.0p	Apr 2006 – Oct 2006
	3,367	-	3,367	-	1647.0p	Jun 2007 – Dec 2007
N P Smith	2,300	-	2,300	-	1647.0p	Jun 2007 – Dec 2007
	-	8,547	-	8,547	390.0p	Apr 2004 – Oct 2004
P S Wilson	3,453	-	-	3,453	724.0p	Apr 2005 – Oct 2005
	3,341	-	-	3,341	748.0p	Apr 2006 – Oct 2006
	3,013	-	3,013	-	1647.0p	Jun 2007 – Dec 2007

Directors will become entitled to the awarded ordinary shares if they remain employed by the Inchcape Group for three years and retain the shares purchased with their bonus throughout that period. The awards made will normally vest within three years of award. Special rules apply on termination of employment and on a change of control. For awards made after the 2004 AGM of Inchcape plc, the ultimate parent undertaking, to vest, growth in the Inchcape plc's earnings per share over a three year period must exceed the increase on the UK Retail Price Index over the same period by 3.0% per annum, with no opportunity to retest.

#### Transactions with Directors

No transaction, arrangement or agreement required to be closed under the terms of the Companies Act 1985 was outstanding at 31 December 2004, or occurred during the year for any director/and or connected person (2003: none).

#### Auditors

Under the provisions of Section 249AA(1) of the Companies Act 1985, the directors have taken advantage of the exemption available not to appoint Auditors while the company remains dormant.

By order of the Board

  
**Inchcape Corporate Services Limited**  
Secretary

1 February 2006

# **Inchcape Pension Trustee Limited**

## **Statement of Directors' Responsibilities**

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 the company for that 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 in business.

The directors confirm that:

- suitable accounting policies have been used and applied consistently;
- reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2004;
- applicable accounting standards have been followed and applied consistently;

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.

# Inchcape Pension Trustee Limited

## Balance Sheet at 31 December 2004

	Note	2004 £'000	2003 £'000
<b>Current assets</b>			
Debtor: amount falling due within one year	3	2	2
<b>Net assets</b>		2	2
<b>Capital and reserves</b>			
Called up share capital	4	2	2
<b>Equity shareholders' funds</b>		2	2

For the year ended 31 December 2004 the company was entitled to the exemption under section 249AA(1) of the Companies Act 1985.

Members have not required the company to obtain an audit in accordance with section 249(B)(2) of the Companies Act 1985.

The Directors acknowledge their responsibility for:

- (i) ensuring the company keeps accounting records which comply with section 221; and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

The financial statements on pages 5 to 7 were approved by the Board of Directors on 13 February 2006 and were signed on its behalf by:



Director

# Inchcape Pension Trustee Limited

## Notes to the Accounts For the Year Ended 31 December 2004

### 1. Accounting policies

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards. The principal accounting policies of the Company are described below.

#### Accounting convention

The financial statements are prepared under the historical cost basis, and in accordance with the Companies Act 1985.

#### Group accounts

In accordance with the exemption permitted by Section 228 of the Companies Act 1985 no group accounts have been prepared.

#### Changes in accounting policies

FRS18 has been adopted in the current year but this did not require any change in accounting policy.

### 2. Directors' emoluments and employee information

The Company has no employees except the directors, and hence has no salary, social security or pension costs. The directors do not receive any remuneration from the company as their services to the company are deemed to be non-qualifying for the purposes of the Companies Act 1985 (as amended).

### 3. Debtors falling due after more than one year

	2004 £'000	2003 £'000
Amounts owed from group undertaking	2	2

### 4. Share capital

	2004 £'000	2003 £'000
<b>Authorised</b>		
100 ordinary shares of 100.0p each	100	100
<b>Allotted, called up and fully paid</b>		
100 ordinary shares of 100.0p each	2	2

### 5. Cash flow statement

A cash flow statement is not required as Inchcape plc, the Company's ultimate holding company, has complied with Financial Reporting Standard 1 (revised) by including a consolidated cash flow statement in its Report and Accounts for the year ended 31 December 2004.

### 6. Related party transactions

The Company's ultimate parent undertaking is Inchcape plc and it has applied the exemption in paragraph 3(c) of Financial Reporting Standard 8 ("FRS 8") "Related Party Disclosures". This exemption permits the non-disclosure of transactions and balances with related parties that are included in the financial statements of Inchcape plc. The directors consider that there are no other relationships, transactions or balances that are required to be disclosed by FRS 8.

# **Inchcape Pension Trustee Limited**

## **Notes to the Accounts For the Year Ended 31 December 2004**

### **7. Immediate and ultimate parent undertakings**

The Company's immediate and ultimate parent undertaking is Inchcape plc, a public company incorporated in England and Wales. Copies of Inchcape plc's consolidated financial statements may be obtained from the Group Company Secretary at 22a St. James's Square London SW1Y 5LP. The parent undertaking, which heads the smallest and largest groups for which consolidated financial statements are prepared is Inchcape plc.