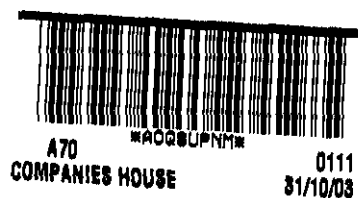


**Pearlshadow Limited**

**Directors' report and financial  
statements**

Registered number 3547863

For the period ended 31 December 2002



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## Directors' report

The directors present their annual report, together with the financial statements and auditors' report, for the period ended 31 December 2002.

### Principal activity and business review

The company is principally engaged in property development. The results of the company are set out on page 4. During the period, the company sold its property held for resale.

### Dividends

Dividends of £352,000 have been proposed in the period (2001: £Nil).

### Directors and their interests

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

LEW Vaughan  
M C Morris  
RH Kurnick (US citizen) (appointed 31 May 2002)

The interests of the directors in the ultimate parent company, United Auto Group, Inc., are set out in the financial statements of an intermediate parent company, UAG UK Holdings Limited, with the exception of RH Kurnick, which are disclosed in the financial statements of United Auto Group, Inc. The directors had no other interests in the shares of the company or any other group company requiring disclosure under the Companies Act 1985.

### Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the company is to be proposed at the forthcoming annual general meeting

By order of the board



MC Morris  
Secretary

Woodcote House  
Harcourt Way  
Meridian Business Park  
Leicester  
LE19 1WE

31 October 2003

## **Statement of directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial period which 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 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;
- state whether applicable 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and prevent and detect fraud and other irregularities.



KPMG Audit Plc

2 Cornwall Street  
Birmingham  
B3 2DL

## **Independent auditors' report to the members of Pearlshadow Limited**

We have audited the financial statements on pages 4 to 8.

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 on page 2, 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. 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 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 the company's affairs as at 31 December 2002 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc  
Chartered Accountants  
Registered Auditor

31 October 2003

## Profit and loss account

For the 10 month period ended 31 December 2002

	Note	10 months ended 31 December 2002 £000	Year ended 28 February 2002 £000
Proceeds from disposal of property held for resale		2,350	-
Cost of property held for resale	5	(1,998)	-
<b>Profit on ordinary activities before taxation</b>		<b>352</b>	<b>-</b>
Tax on profit on ordinary activities	3	-	-
<b>Profit on ordinary activities after taxation</b>		<b>352</b>	<b>-</b>
Dividends	4	(352)	-
<b>Retained profit for the period</b>		<b>-</b>	<b>-</b>

The company made no other gains or losses in either period.

**Balance sheet**  
 at 31 December 2002

	<i>Note</i>	<b>31 December 2002 £000</b>	<b>28 February 2002 £000</b>
<b>Current assets</b>			
Stock	5	-	1,998
Debtors	6	446	-
		<hr/>	<hr/>
<b>Net current assets</b>		<b>446</b>	<b>1,998</b>
<b>Creditors: amounts falling due after more than one year</b>	7	-	(1,552)
		<hr/>	<hr/>
<b>Net assets</b>		<b>446</b>	<b>446</b>
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	9	-	-
Revaluation reserve	8	-	446
Profit and loss account	8	446	-
		<hr/>	<hr/>
<b>Shareholders' funds (all equity)</b>		<b>446</b>	<b>446</b>
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 31 October 2003 and were signed on its behalf by:



**MC Morris**  
 Director

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

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

### 2 Information regarding directors and employees

#### *Directors' remuneration*

The directors who served during the period are all directors of an intermediate parent company, Sytner Group Limited and are remunerated by that company, with the exception of RH Kurnick who is remunerated by United Auto Group, Inc., a company registered in Delaware, USA. The directors had no other interests in the shares of the company or any other group company requiring disclosure under the Companies Act 1985.

The company had no employees during either period.

### 3 Tax on profit on ordinary activities

#### *Analysis of charge in period*

	10 months ended 31 December 2002 £000	Year ended 28 February 2002 £000
<i>UK corporation tax</i>		
Current tax on income for the year	-	-

#### *Factors affecting the tax charge for the current period*

The current tax charge for the period is higher (*year ended 28 February 2002: lower*) than the standard rate of corporation tax in the UK of 30% (*year ended 28 February 2002: 30%*). The differences are explained below:

	10 months ended 31 December 2002 £000	Year ended 28 February 2002 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	352	-
Current tax at 30% ( <i>year ended 28 February 2002: 30%</i> )	106	-
<i>Effects of:</i>		
Rollover relief on profit on disposal of property	(106)	-
Total current tax charge (see above)	-	-

### 4 Dividends

During the period, the company proposed a dividend of £3,520 per share (2001; £Nil).



## Notes (continued)

### 5 Stock

	Freehold land and building £000	Property development £000	Total £000
<b>Cost</b>			
At beginning and end of period	1,327	671	1,998
Disposals	(1,327)	(671)	(1,998)
	<hr/>	<hr/>	<hr/>
At end of period	-	-	-
	<hr/>	<hr/>	<hr/>

### 6 Debtors

	31 December 2002 £000	28 February 2002 £000
Amounts owed by group undertakings	446	-
	<hr/>	<hr/>

Amounts owed by group undertakings are recoverable after more than one year.

### 7 Creditors: Amounts falling due after more than one year

	31 December 2002 £000	28 February 2002 £000
Amounts owed to group undertakings	-	1,552
	<hr/>	<hr/>

### 8 Movement on reserves

	Profit and loss account £000	Revaluation Reserve £000	Total £000
At beginning of period	-	446	446
Transfer to profit and loss account	446	(446)	-
Profit for the financial period	352	-	352
Dividends	(352)	-	(352)
	<hr/>	<hr/>	<hr/>
At end of period	446	-	446
	<hr/>	<hr/>	<hr/>

### 9 Called up share capital

	31 December 2002 £000	28 February 2002 £000
<b>Authorised:</b>		
1,000 ordinary shares of £1 each	1	1
	<hr/>	<hr/>
<b>Allotted, called up and fully paid:</b>		
100 ordinary shares of £1 each	-	-
	<hr/>	<hr/>

**Notes** *(continued)*

**10 Ultimate parent company and controlling party**

The company is a subsidiary undertaking of United Auto Group, Inc., incorporated in Delaware, USA. United Auto Group, Inc. is also the largest group in which the results of the company are consolidated. The consolidated financial statements are available from One Harman Plaza, 9<sup>th</sup> Floor, Secaucus, NJ 07094, 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.