

**LINDGATE LIMITED**  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2004



# LINDGATE LIMITED

## FINANCIAL STATEMENTS

For the year ended 31 December 2004

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Company no: 2727708

Registered office: 120 Ber Street  
Norwich  
Norfolk  
NR1 3ES

Directors: G M Dacre  
B K Fawcett

Secretary: G M Dacre

Bankers: Bank of Scotland  
3 Queen Street  
Norwich  
Norfolk  
NR2 4SG

Solicitors: Mills and Reeve  
1 St James Court  
Whitefriars  
Norwich  
Norfolk  
NR3 1RU

Auditors: Grant Thornton UK LLP  
Registered Auditors  
Chartered Accountants  
Holland Court  
The Close  
Norwich  
Norfolk  
NR1 4DY

# **LINDGATE LIMITED**

## **FINANCIAL STATEMENTS**

For the year ended 31 December 2004

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# LINDGATE LIMITED

## REPORT OF THE DIRECTORS

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

### Directors

The directors who served during the year and their interests in the issued share capital of the company at the beginning and end of year were as follows:

|             | <b>Ordinary shares of £1 each</b> |                  |
|-------------|-----------------------------------|------------------|
|             | <b>31 December</b>                | <b>1 January</b> |
|             | <b>2004</b>                       | <b>2004</b>      |
| G M Dacre   | -                                 | -                |
| B K Fawcett | -                                 | -                |
|             | <hr/>                             | <hr/>            |

The interests of the directors in the shares of the ultimate parent undertaking are shown in the financial statements of that company.

### Principal activity

The principal activity of the company continued to be that of operating a motor dealership.

### Business review

The company operates a Porsche dealership in Tonbridge, Kent.

The results for the year are set out on page 5.

The retained profit for the year of £327,417 (eight months from 1 May 2003 to 31 December 2003: £358,133) has been taken to reserves. The directors do not recommend the payment of a dividend.

### Directors' responsibilities for the financial statements

United Kingdom 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 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
- 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 maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# LINDGATE LIMITED

## REPORT OF THE DIRECTORS

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### Auditors

On 1 July 2004, the Grant Thornton partnership transferred its business to a limited liability partnership, Grant Thornton UK LLP. Under section 26(5) of the Companies Act 1989, the directors consented to extend the audit appointment to Grant Thornton UK LLP from 1 July 2004.

The company has, by elective resolution, dispensed with the obligation to appoint auditors annually in accordance with Section 386(1) of the Companies Act 1985. Therefore the auditors, Grant Thornton UK LLP, will be deemed to be re-appointed for each succeeding financial year

ON BEHALF OF THE BOARD



G M Dacre  
Director  
21 June 2005

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LINDGATE LIMITED**

We have audited the financial statements of Lindgate Limited for the year ended 31 December 2004 which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 1 to 18. These financial statements have been prepared under 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 the directors and auditors**

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with United Kingdom law and accounting standards 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 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 other information contained in the directors' report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

**Basis of 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 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 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON UK LLP  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS**

NORWICH  
21 June 2005

# **LINDGATE LIMITED**

## **PRINCIPAL ACCOUNTING POLICIES**

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### **BASIS OF PREPARATION**

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

There is no requirement under Financial Reporting Standard 1 to prepare a cash flow statement on the basis that the company is a wholly owned subsidiary of Lind Automotive Group Holdings Limited and the group's consolidated financial statements include a cash flow statement.

### **TURNOVER**

The turnover for the year is attributable to the purchasing, selling and repairing of motor vehicles and other ancillary services, excluding VAT and trade discounts.

### **DEPRECIATION**

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset, on a straight line basis over their expected useful lives. The rates generally applicable are:

|                                      |                 |
|--------------------------------------|-----------------|
| Assets in the course of construction | Not depreciated |
| Plant and machinery                  | 5-10 years      |
| Fixtures, fittings and equipment     | 3-5 years       |
| Motor vehicles                       | 3-5 years       |

### **LEASED ASSETS**

Payments made under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

### **STOCKS**

Stocks are valued at the lower of cost and net realisable value.

Under supply agreements with Porsche, the company has access to "consignment stock". Where the nature of these supply agreements transfer the risks and rewards to the company, which in substance gives the company control over the stock during the consignment period and liabilities in respect of holding costs, the company recognises these stocks in the balance sheet together with the equivalent liability.

### **PENSIONS**

The company contributes to a group personal pension plan for individuals and the contributions are accounted for in the period to which they relate.

### **TAXATION**

The charge for taxation is based on the results for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. In accordance with Financial Reporting Standard 19, provision is made for deferred tax in respect of all timing differences that have originated but not reversed by the balance sheet date. Deferred tax assets are only recognised when it is more likely than not that the deferred tax asset will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date. Deferred tax balances are not discounted.

### **RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemptions available under Financial Reporting Standard 8 whereby subsidiary undertakings do not have to disclose intra group transactions if 90% or more of their shares are controlled within the group.

**LINDGATE LIMITED****PROFIT AND LOSS ACCOUNT**

For the year ended 31 December 2004

|                                                    | Note | Year ended<br>31<br>December<br>2004<br>£ | Eight months<br>from 1 May<br>2003 to 31<br>December<br>2003<br>£ |
|----------------------------------------------------|------|-------------------------------------------|-------------------------------------------------------------------|
| <b>Turnover</b>                                    | 1    | <b>21,985,280</b>                         | 13,177,366                                                        |
| Cost of sales                                      |      | <b>(19,338,816)</b>                       | (11,584,289)                                                      |
| <b>Gross profit</b>                                |      | <b>2,646,464</b>                          | 1,593,077                                                         |
| Administrative expenses                            |      | <b>(2,076,665)</b>                        | (1,025,309)                                                       |
| <b>Operating profit</b>                            | 2    | <b>569,799</b>                            | 567,768                                                           |
| Interest payable and similar charges               | 3    | <b>(58,825)</b>                           | (41,067)                                                          |
| <b>Profit on ordinary activity before taxation</b> |      | <b>510,974</b>                            | 526,701                                                           |
| Tax on profit on ordinary activity                 | 5    | <b>(183,557)</b>                          | (168,568)                                                         |
| <b>Retained profit for the financial year</b>      | 13   | <b>327,417</b>                            | 358,133                                                           |

The profit and loss accounts have been prepared on the basis that all operations are continuing.

There are no recognised gains and losses other than those passing through the profit and loss accounts.

The accompanying accounting policies and notes form an integral part of these financial statements.

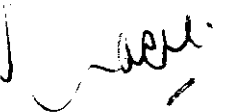
# LINDGATE LIMITED

## BALANCE SHEET AT 31 DECEMBER 2004

|                                                                | Note | 2004               | 2003               |
|----------------------------------------------------------------|------|--------------------|--------------------|
|                                                                |      | £                  | £                  |
| <b>Fixed assets</b>                                            |      |                    |                    |
| Tangible assets                                                | 6    | 349,339            | 16,654             |
| <b>Current assets</b>                                          |      |                    |                    |
| Stocks                                                         | 7    | 3,729,306          | 2,386,823          |
| Debtors                                                        | 8    | 515,237            | 524,460            |
| Cash at bank and in hand                                       |      | 650                | 96,728             |
|                                                                |      | <u>4,245,193</u>   | <u>3,008,011</u>   |
| <b>Creditors: amounts falling due within one year</b>          | 9    | <u>(3,013,303)</u> | <u>(2,666,530)</u> |
| <b>Net current assets</b>                                      |      | <b>1,231,890</b>   | <b>341,481</b>     |
| <b>Total assets less current liabilities</b>                   |      | <b>1,581,229</b>   | <b>358,135</b>     |
| <b>Creditors: amounts falling due after more than one year</b> | 10   | <b>(890,111)</b>   | -                  |
| <b>Provisions for liabilities and charges</b>                  | 11   | <b>(5,566)</b>     | -                  |
| <b>Net assets</b>                                              |      | <b>685,552</b>     | <b>358,135</b>     |
| <b>Capital and reserves</b>                                    |      |                    |                    |
| Called up share capital                                        | 12   | 2                  | 2                  |
| Profit and loss account                                        | 13   | 685,550            | 358,133            |
| <b>Equity shareholder's funds</b>                              | 14   | <b>685,552</b>     | <b>358,135</b>     |

Debtors include £121,818 (2003: £Nil) falling due after more than one year.

The financial statements were approved by the board of directors on 21 June 2005.

  
G M Dacre **Director**

The accompanying accounting policies and notes form an integral part of these financial statements.

# LINDGATE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

### 1 TURNOVER

The turnover for the year is attributable to the purchasing, selling and repairing of motor vehicles and other ancillary services wholly undertaken in the United Kingdom.

### 2 OPERATING PROFIT

Operating profit is stated after charging:

|                                               | <b>Year ended<br/>31<br/>December<br/>2004<br/>£</b> | <b>Eight months<br/>from 1 May<br/>2003 to 31<br/>December<br/>2003<br/>£</b> |
|-----------------------------------------------|------------------------------------------------------|-------------------------------------------------------------------------------|
| Auditors' remuneration - audit services       | <b>4,250</b>                                         | 3,900                                                                         |
| - non audit services                          | <b>850</b>                                           | 800                                                                           |
| Depreciation                                  | <b>38,679</b>                                        | -                                                                             |
| Operating lease rentals - plant and machinery | <b>2,115</b>                                         | 6,768                                                                         |
|                                               | <hr/>                                                | <hr/>                                                                         |

### 3 INTEREST PAYABLE AND SIMILAR CHARGES

|               | <b>Year ended<br/>31<br/>December<br/>2004<br/>£</b> | <b>Eight months<br/>from 1 May<br/>2003 to 31<br/>December<br/>2003<br/>£</b> |
|---------------|------------------------------------------------------|-------------------------------------------------------------------------------|
| Bank charges  | -                                                    | 437                                                                           |
| Other charges | <b>58,825</b>                                        | 40,630                                                                        |
|               | <hr/>                                                | <hr/>                                                                         |
|               | <b>58,825</b>                                        | 41,067                                                                        |
|               | <hr/>                                                | <hr/>                                                                         |

# LINDGATE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

### 4 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

|                         | <b>Year ended<br/>31<br/>December<br/>2004<br/>£</b> | <b>Eight months<br/>from 1 May<br/>2003 to 31<br/>December<br/>2003<br/>£</b> |
|-------------------------|------------------------------------------------------|-------------------------------------------------------------------------------|
| Wages and salaries      | <b>976,379</b>                                       | 467,517                                                                       |
| Social security costs   | <b>111,224</b>                                       | 73,819                                                                        |
| Pension costs (note 15) | <b>23,579</b>                                        | 20,869                                                                        |
|                         | <b>1,111,182</b>                                     | 562,205                                                                       |

The average number of employees (including directors) during the year/period was:

|                        | <b>Year ended<br/>31<br/>December<br/>2004<br/>Number</b> | <b>Eight months<br/>from 1 May<br/>2003 to 31<br/>December<br/>2003<br/>Number</b> |
|------------------------|-----------------------------------------------------------|------------------------------------------------------------------------------------|
| Mechanical             | <b>9</b>                                                  | 6                                                                                  |
| Sales and distribution | <b>9</b>                                                  | 7                                                                                  |
| Administration         | <b>19</b>                                                 | 17                                                                                 |
|                        | <b>37</b>                                                 | 30                                                                                 |

The directors received no emoluments from the company during the year (eight month period from 1 May 2003 to 31 December 2003: £Nil).

**LINDGATE LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2004

**5 TAXATION****(a) The taxation charge for the year/period is made up as follows:**

|                                    | <b>Year ended<br/>31<br/>December<br/>2004<br/>£</b> | <b>Eight months<br/>from 1 May<br/>2003 to 31<br/>December<br/>2003<br/>£</b> |
|------------------------------------|------------------------------------------------------|-------------------------------------------------------------------------------|
| <b>Corporation tax</b>             |                                                      |                                                                               |
| UK corporation tax (at 30%)        | <b>168,707</b>                                       | 179,288                                                                       |
| Over provision in previous period  | <b>(1,436)</b>                                       | -                                                                             |
|                                    | <b>167,271</b>                                       | 179,288                                                                       |
| <b>Deferred tax</b>                |                                                      |                                                                               |
| Current year (note 11)             | <b>15,386</b>                                        | (10,720)                                                                      |
| Under provision in previous period | <b>900</b>                                           | -                                                                             |
|                                    | <b>183,557</b>                                       | 168,568                                                                       |

**(b) Factors affecting the tax charge for the year/period:**

|                                                                                             | <b>Year ended<br/>31<br/>December<br/>2004<br/>£</b> | <b>Eight months<br/>from 1 May<br/>2003 to 31<br/>December<br/>2003<br/>£</b> |
|---------------------------------------------------------------------------------------------|------------------------------------------------------|-------------------------------------------------------------------------------|
| Profit on ordinary activity before tax                                                      | <b>510,974</b>                                       | 526,701                                                                       |
| Profit on ordinary activity multiplied by standard rate of corporation tax in the UK of 30% | <b>153,292</b>                                       | 158,010                                                                       |
| Effects of:                                                                                 |                                                      |                                                                               |
| Expenses not deductible for tax purposes                                                    | <b>30,801</b>                                        | 10,558                                                                        |
| Differences between capital allowances and depreciation                                     | <b>(16,576)</b>                                      | 227                                                                           |
| Other timing differences                                                                    | <b>1,190</b>                                         | 10,493                                                                        |
| Adjustment to tax charge in respect of previous period                                      | <b>(1,436)</b>                                       | -                                                                             |
| Current tax charge for year/period (note 5(a))                                              | <b>167,271</b>                                       | 179,288                                                                       |

**LINDGATE LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2004

**6 TANGIBLE FIXED ASSETS**

|                                    | <b>Asset in the<br/>course of<br/>construction</b> | <b>Plant and<br/>machinery</b> | <b>Fixtures,<br/>fittings and<br/>equipment</b> | <b>Motor<br/>vehicles</b> | <b>Total</b>   |
|------------------------------------|----------------------------------------------------|--------------------------------|-------------------------------------------------|---------------------------|----------------|
|                                    | £                                                  | £                              | £                                               | £                         | £              |
| Cost                               |                                                    |                                |                                                 |                           |                |
| At 1 January 2004                  | 16,654                                             | -                              | -                                               | -                         | 16,654         |
| Additions                          | -                                                  | 152,691                        | 207,173                                         | 11,500                    | 371,364        |
| Transfers                          | (16,654)                                           | 16,654                         | -                                               | -                         | -              |
|                                    | <hr/>                                              | <hr/>                          | <hr/>                                           | <hr/>                     | <hr/>          |
| At 31 December 2004                | -                                                  | 169,345                        | 207,173                                         | 11,500                    | 388,018        |
|                                    | <hr/>                                              | <hr/>                          | <hr/>                                           | <hr/>                     | <hr/>          |
| Depreciation                       |                                                    |                                |                                                 |                           |                |
| At 1 January 2004                  | -                                                  | -                              | -                                               | -                         | -              |
| Charge for the year                | -                                                  | 12,247                         | 25,476                                          | 956                       | 38,679         |
|                                    | <hr/>                                              | <hr/>                          | <hr/>                                           | <hr/>                     | <hr/>          |
| At 31 December 2004                | -                                                  | 12,247                         | 25,476                                          | 956                       | 38,679         |
|                                    | <hr/>                                              | <hr/>                          | <hr/>                                           | <hr/>                     | <hr/>          |
| Net book value at 31 December 2004 | -                                                  | <b>157,098</b>                 | <b>181,697</b>                                  | <b>10,544</b>             | <b>349,339</b> |
|                                    | <hr/>                                              | <hr/>                          | <hr/>                                           | <hr/>                     | <hr/>          |
| Net book value at 31 December 2003 | 16,654                                             | -                              | -                                               | -                         | 16,654         |
|                                    | <hr/>                                              | <hr/>                          | <hr/>                                           | <hr/>                     | <hr/>          |

**7 STOCKS**

|                                     | <b>2004</b>      | <b>2003</b> |
|-------------------------------------|------------------|-------------|
|                                     | £                | £           |
| Raw materials and consumables       | <b>12,232</b>    | 4,529       |
| Finished goods and goods for resale | <b>3,717,074</b> | 2,382,294   |
|                                     | <hr/>            | <hr/>       |
|                                     | <b>3,729,306</b> | 2,386,823   |
|                                     | <hr/>            | <hr/>       |

£1,620,796 (2003: £948,045) of consignment stock has been included in the total stock figure.

**LINDGATE LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2004

**8 DEBTORS**

|                                   | 2004<br>£      | 2003<br>£      |
|-----------------------------------|----------------|----------------|
| Trade debtors                     | 248,874        | 140,965        |
| Amount owed by group undertakings | 121,818        | 14,093         |
| Deferred tax asset (note 11)      | -              | 10,720         |
| Other debtors                     | -              | 68,131         |
| Prepayments and accrued income    | 144,545        | 290,551        |
|                                   | <u>515,237</u> | <u>524,460</u> |

**9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                       | 2004<br>£        | 2003<br>£        |
|---------------------------------------|------------------|------------------|
| Bank overdraft                        | 21,032           | -                |
| Payments received on account          | 508,900          | 432,694          |
| Trade creditors                       | 470,108          | 285,675          |
| Consignment stock                     | 1,620,796        | 948,045          |
| Amounts owed to group undertakings    | -                | 615,359          |
| Corporation tax                       | 63,707           | 137,888          |
| Other taxes and social security costs | 102,868          | 90,335           |
| Other creditors                       | 2,516            | 2,774            |
| Accruals and deferred income          | 223,376          | 153,760          |
|                                       | <u>3,013,303</u> | <u>2,666,530</u> |

The bank overdraft is secured by a charge over various property and assets within the overall Bank of Scotland group facility.

The consignment stock finance creditor is secured against the relevant vehicle stocks.

**10 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

|                                    | 2004<br>£ | 2003<br>£ |
|------------------------------------|-----------|-----------|
| Amounts owed to group undertakings | 890,111   | -         |

**LINDGATE LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2004

**11 DEFERRED TAXATION**

|                                                               | £              |
|---------------------------------------------------------------|----------------|
| Balance at 1 January 2004 - deferred tax asset (at 30%)       | 10,720         |
| Charge for the year (note 5(a))                               | (16,286)       |
|                                                               | <hr/>          |
| Balance at 31 December 2004 - deferred tax liability (at 30%) | <b>(5,566)</b> |
|                                                               | <hr/>          |

The deferred tax balance in the financial statements consists of:

|                                              | <b>Provided</b> |             | <b>Not provided</b> |             |
|----------------------------------------------|-----------------|-------------|---------------------|-------------|
|                                              | <b>2004</b>     | <b>2003</b> | <b>2004</b>         | <b>2003</b> |
|                                              | <b>£</b>        | <b>£</b>    | <b>£</b>            | <b>£</b>    |
| Depreciation in excess of capital allowances | <b>(16,349)</b> | 227         | -                   | -           |
| Other timing differences                     | <b>10,783</b>   | 10,493      | -                   | -           |
|                                              | <hr/>           | <hr/>       | <hr/>               | <hr/>       |
|                                              | <b>(5,566)</b>  | 10,720      | -                   | -           |
|                                              | <hr/>           | <hr/>       | <hr/>               | <hr/>       |

**12 CALLED UP SHARE CAPITAL**

|                                                                    | <b>2004</b> | <b>2003</b> |
|--------------------------------------------------------------------|-------------|-------------|
|                                                                    | <b>£</b>    | <b>£</b>    |
| Authorised<br>2 ordinary shares of £1 each                         | <b>2</b>    | <b>2</b>    |
|                                                                    | <hr/>       | <hr/>       |
| Allotted, called up and fully paid<br>2 ordinary shares of £1 each | <b>2</b>    | <b>2</b>    |
|                                                                    | <hr/>       | <hr/>       |

**13 STATEMENT OF MOVEMENTS ON RESERVES**

|                              | <b>Profit and<br/>loss account<br/>£</b> |
|------------------------------|------------------------------------------|
| Balance at 1 January 2004    | 358,133                                  |
| Retained profit for the year | 327,417                                  |
|                              | <hr/>                                    |
| Balance at 31 December 2004  | <b>685,550</b>                           |
|                              | <hr/>                                    |

# LINDGATE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

### 14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

|                                      | 2004<br>£ | 2003<br>£ |
|--------------------------------------|-----------|-----------|
| Profit for the financial year/period | 327,417   | 358,133   |
| Opening equity shareholder's funds   | 358,135   | 2         |
|                                      | <hr/>     | <hr/>     |
| Closing equity shareholder's funds   | 685,552   | 358,135   |
|                                      | <hr/>     | <hr/>     |

### 15 PENSION COSTS

The company contributes to a group personal pension plan for individuals. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge for the year was £23,579 (eight month period from 1 May 2003 to 31 December 2003: £20,869). At 31 December 2004 the company had outstanding pension contributions of £2,516 (eight month period from 1 May 2003 to 31 December 2003: £2,771).

### 16 CONTINGENT LIABILITY

There is a joint and several liability under a group VAT registration. The total liability at 31 December 2004 was £1,289,578 (2003: £699,738).

Under a corporate cross guarantee between Lind Automotive Group Holdings Limited and each of the subsidiary companies in the group, the company has guaranteed total bank borrowings at 31 December 2004 of £28,782,292 (2003: £16,045,797).

### 17 TRANSACTIONS WITH RELATED PARTIES

The company is controlled by G M Dacre, who has a controlling interest in the share capital of the parent undertaking, Lind Automotive Group Holdings Limited.

During the year the company purchased from or sold vehicles to the following directors:

|             | Year ended<br>31 December 2004 |           | Eight month period from<br>1 May 2003 to<br>31 December 2003 |           |
|-------------|--------------------------------|-----------|--------------------------------------------------------------|-----------|
|             | Sales                          | Purchases | Sales                                                        | Purchases |
|             | £                              | £         | £                                                            | £         |
| G M Dacre   | 63,241                         | 86,799    | 150,555                                                      | 63,756    |
| B K Fawcett | -                              | -         | 69,805                                                       | 69,805    |

### 18 ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking is Lind Automotive Group Holdings Limited, a company registered in England and Wales.

Lind Automotive Group Holdings Limited prepares financial statements in which the results of Lindgate Limited are consolidated.