

CHA (2005) Limited

Annual report and financial statements

for the year ended 31 December 2006

Registered number 05471124

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# **CHA (2005) Limited**

## **Annual report and financial statements for the year ended 31 December 2006**

	<b>Page</b>
Directors and advisors	1
Directors' report for the year ended 31 December 2006	2
Independent auditors' report to the members of CHA (2005) Limited	5
Consolidated profit and loss account for the year ended 31 December 2006	7
Reconciliation of movements in shareholders' funds	8
Balance sheets as at 31 December 2006	9
Consolidated cash flow statement for the year ended 31 December 2006	10
Notes to the financial statements for the year ended 31 December 2006	11

# **CHA (2005) Limited**

## **Directors and advisors**

### **Executive directors**

P J Dunkley  
D W Hammond

### **Secretary and registered office**

D W Hammond  
Hopping Hill  
Harlestone Road  
Northampton  
NN5 6PD

### **Registered auditors**

PricewaterhouseCoopers LLP  
1 Embankment Place  
London  
WC2N 6RH

### **Solicitors**

Travers Smith Braithwaite  
10 Snow Hill  
London  
EC1A 2AL

### **Bankers**

Barclays Bank plc  
34 Market Square  
Aylesbury  
Buckinghamshire  
HP20 1TT

# **CHA (2005) Limited**

## **Directors' report for the year ended 31 December 2006**

The directors present the report and the audited consolidated financial statements of CHA (2005) Limited for the year ended 31 December 2006. CHA (2005) Limited with its subsidiary companies is referred throughout as the "Group" and without its subsidiary companies as the "Company".

### **Business review and principal activities**

The principal activities of the Group during the period were the sale, distribution, repair and servicing of new and used motor vehicles and the sale of accessories and replacement parts. Other operating income relates principally to finance and insurance commissions earned.

The consolidated profit and loss account is set out on page 7 and shows a profit before tax of £4,341,000 (2005 £6,407,000).

### **Future outlook**

The directors were satisfied with the Group's overall performance in the year and expect the Group to continue to develop and grow in 2007.

### **Dividends and transfers to reserves**

An interim dividend of £5,000,000 (2005 £nil) has been paid during the year. Further dividends amounting to £nil in respect of the year ended 31 December 2006 (2005 £nil) have been accrued. The loss of £2,049,000 (2005 £8,006,000) for the year has been transferred to reserves.

### **Key performance indicators**

Given that the owners of the business are also the directors of the business, the directors do not feel that an analysis of key performance indicators is necessary for an understanding of the development, performance or position of the business.

### **Principal risks and uncertainties**

The management of the business and execution of the company's strategy are subject to a number of risks.

The key business risks affecting the company are considered to relate to the buoyancy of the new and used vehicle markets and the factors that influence these markets.

### **Financial risk management**

The company's operations expose it to a variety of financial risks that include credit risk, liquidity risk and interest rate risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of such risk.

Given the size of the company the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department. The department has policies and procedures that set out specific guidelines to manage credit risk.

# CHA (2005) Limited

## Directors' report for the year ended 31 December 2006 (continued)

### *Credit risk*

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. Hierarchical authority levels ensure appropriate levels of risk appraisal.

### **Financial risk management (continued)**

### *Liquidity risk*

The company actively maintains a mixture of long-term and short-term debt finance that is designed to ensure the company has sufficient available funds for operations and planned expansions.

### **Directors**

The names of the directors of the company at any time during the year are listed on page 1.

### **Directors' interests**

The interests of the directors of the company in the shares and loan stock of CHA (2005) Limited, at the 31 December 2006 were:

	A Ordinary Shares held by Camden Motors (Trustees) unapproved pension scheme	A Ordinary Shares of 1p each
P J Dunkley	8,137	3,938
D W Hammond	-	2,391

Other than shown above, no director had any interest in shares or loan stock of the company at 31 December 2006.

### **Employment policy**

The Group maintains policies aimed at informing employees of, and involving them in matters relating to the Group's activities and performance, as appropriate to their employment.

### **Employment of disabled persons**

The Group seeks applications for employment from disabled persons who can meet the requirements of the job and all necessary assistance with training is given. Where employees become disabled, the Group makes strenuous efforts to continue to employ them.

# **CHA (2005) Limited**

## **Directors' report for the year ended 31 December 2006 (continued)**

### **Political and charitable contributions**

During the year the Group made no contributions for charitable purposes (2005 £666) The Group has not made any contributions to political parties during the year

### **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 the group and of the profit or loss of the group 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 They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2006 and that applicable accounting standards have been followed

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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

### **Disclosure of information to auditors**

Each person who is a director at the date of approval of this report confirms that

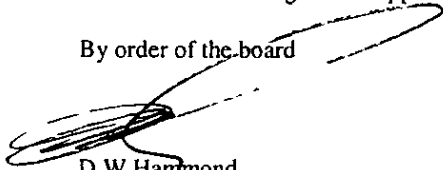
- So far as the directors are aware, there is no relevant audit information (that is, information needed by the company's auditors in preparing their report) of which the company's auditors are unaware, and
- The directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the companies auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of Section 234ZA of the Companies Act 1985

### **Auditors**

The auditors PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting

By order of the board



D W Hammond  
Company Secretary  
26 April 2007

## **Independent auditors' report to the members of CHA (2005) Limited**

We have audited the financial statements of CHA (2005) Limited, which comprise the consolidated profit and loss account, the group and company balance sheet and reconciliation of movement in shareholders' funds, consolidated cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### **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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

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 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 International Standards on Auditing (UK and Ireland) 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 judgments 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.

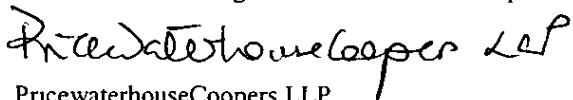
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

## **Independent auditors' report to the members of CHA (2005) Limited (continued)**

### **Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 31 December 2006 and of the group's profit and cash flows for the year then ended, and
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
London  
4 May 2007



# CHA (2005) Limited

## Consolidated profit and loss account for the year ended 31 December 2006

		2006	2005
	Notes	£000	£000
<b>Turnover</b>	2	<b>255,012</b>	234,203
Cost of sales		(221,314)	(201,362)
<b>Gross profit</b>		<b>33,698</b>	32,841
Distribution costs		(21,965)	(21,431)
Administrative expenses		(12,485)	(10,369)
Other operating income		5,928	6,018
<b>Operating profit</b>	6	<b>5,176</b>	7,059
Interest payable and similar charges	5	(835)	(652)
<b>Profit on ordinary activities before taxation</b>		<b>4,341</b>	6,407
Tax on profit on ordinary activities	7	(1,390)	(1,922)
<b>Profit on ordinary activities after taxation</b>		<b>2,951</b>	4,485
Dividends	9	(5,000)	(12,491)
<b>Loss for the year</b>	19	<b>(2,049)</b>	(8,006)

The group has no recognised gains or losses other than the profit above and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the profit on ordinary activities before taxation and the profit for the year stated above, and their historical cost equivalents

## CHA (2005) Limited

### Reconciliation of movements in shareholders' funds


	2006	2005
	£000	£000
Profit for the financial year	2,951	4,485
Dividends and appropriations	(5,000)	(12,491)
Net reduction in shareholders' funds	(2,049)	(8,006)
Shareholders' funds brought forward	7,245	15,251
Closing shareholders' funds	5,196	7,245

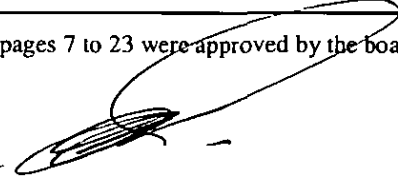
# CHA (2005) Limited

## Balance sheets as at 31 December 2006

	Notes	Group		Company	
		2006 £000	2005 £000	2006 £000	2005 £000
<b>Fixed assets</b>					
Tangible assets	10	2,954	2,475	-	-
Investments	12	-	-	-	-
Goodwill	11	153	114	-	-
		<b>3,107</b>	<b>2,589</b>	<b>-</b>	<b>-</b>
<b>Current assets</b>					
Stock	13	47,080	52,474	-	-
Debtors – due within one year	14	11,912	16,443	-	-
Cash at bank and in hand		7	6	-	-
		<b>58,999</b>	<b>68,923</b>	<b>-</b>	<b>-</b>
<b>Creditors' amounts falling due within one year</b>	15	<b>(56,910)</b>	<b>(64,267)</b>	<b>-</b>	<b>-</b>
<b>Net current assets</b>		<b>2,089</b>	<b>4,656</b>	<b>-</b>	<b>-</b>
<b>Total assets less current liabilities</b>		<b>5,196</b>	<b>7,245</b>	<b>-</b>	<b>-</b>
<b>Net assets</b>		<b>5,196</b>	<b>7,245</b>	<b>-</b>	<b>-</b>
<b>Capital and reserves</b>					
Share Capital	18	-	-	-	-
Other reserve	19	2,472	2,472	-	-
Profit and loss account	19	2,724	4,773	-	-
<b>Total shareholders' assets</b>		<b>5,196</b>	<b>7,245</b>	<b>-</b>	<b>-</b>

The financial statements on pages 7 to 23 were approved by the board of directors on 26 April 2007 and were signed on its behalf by

  
P J Dumbley  
Director

  
D W Hammond  
Director

# CHA (2005) Limited

## Consolidated cash flow statement for the year ended 31 December 2006

	Note	2006 £000	2005 £000
<b>Net cash inflow from operating activities</b>		<b>5,962</b>	<b>3,090</b>
<b>Returns on investments and servicing of finance</b>			
Payment of dividends		(5,000)	-
Interest paid		(835)	(652)
		<b>(5,835)</b>	<b>(652)</b>
<b>Taxation</b>			
United Kingdom corporation tax paid		(1,714)	(1,597)
		<b>(1,587)</b>	<b>841</b>
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(1,176)	(1,064)
Purchase of intangible assets		(47)	(114)
<b>Reduction in cash in the year</b>	<b>20</b>	<b>(2,810)</b>	<b>(337)</b>
<b>Reconciliation of operating profit to net cash inflow from operating activities</b>			
Operating profit after exceptional items		5,176	7,709
Depreciation of tangible and fixed assets		697	832
Amortisation of goodwill		8	-
Decrease in stocks		5,394	4,810
Decrease in debtors		2,690	1,329
Decrease in creditors		(8,003)	(11,590)
<b>Net cash inflow from operating activities</b>		<b>5,962</b>	<b>3,090</b>

# **CHA (2005) Limited**

## **Notes to the financial statements for the year ended 31 December 2006**

### **1 Principal accounting policies**

The financial statements cover the year ended 31 December 2006 and have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

#### **Basis of accounting**

The financial statements are prepared in accordance with the historical cost convention.

#### **Basis of consolidation**

The Group accounts consolidate the accounts of the Company and its subsidiaries for the year ended 31 December 2006.

Merger accounting principles have been used in preparing the financial statements and the results have been presented as if the new Group had been established throughout the current and prior years. No adjustments are required to achieve uniformity of accounting policies.

#### **Goodwill**

Goodwill arising on the acquisition of subsidiaries and associates prior to the effective date of FRS10 has been written off immediately against reserves.

Goodwill arising on the acquisition of subsidiaries and associates and goodwill purchased after the effective date of FRS 10 is capitalised and amortised over an estimated useful economic life of 20 years on a straight line basis.

#### **Tangible fixed assets**

The cost of fixed assets is the purchase cost, or fair value on acquisition, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Freehold buildings	2% per annum
Short leasehold property	over the period of the lease
Plant and equipment	10% - 33⅓% per annum

Freehold land is not depreciated.

# **CHA (2005) Limited**

## **Notes to the financial statements for the year ended 31 December 2006 (continued)**

### **1 Principal accounting policies (continued)**

#### **Investments**

Investments are held at cost less any provision, where necessary, for permanent diminutions in value

#### **Leased assets**

Assets held under finance leases are included under tangible fixed assets at their capital value and depreciated over the shorter of the lease term and the assets' useful economic life. Leasing payments consist of capital and interest elements and the interest is charged to the profit and loss account. Annual rentals in respect of operating leases are charged to the profit and loss account as incurred.

#### **Stocks**

Stocks are stated at the lower of invoiced cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks. Stocks on consignment and their related obligations are recognised in current assets and creditors respectively when the risks and rewards of ownership pass to the company.

Repurchase commitments represent vehicles at the cost, or, if lower, estimated realisable value for which the company has entered into a repurchase obligation. Repurchase commitments where the benefits and risks associated with the vehicles remain with the third party until transfer of title are not recognised as either an asset or liability of the company.

Demonstration vehicles are depreciated at between 30 and 40% per annum on a straight line basis.

#### **Turnover and cost of sales**

Turnover from the sale of new and used motor vehicles, accessories and related services, which exclude value added tax, sales between Group companies and trade discounts, represent the invoiced value of goods and services supplied. Cost of sales includes funding charges made under dedicated manufacturer fleet programmes related to the supply under contract of vehicles to major fleet customers.

#### **Deferred taxation**

Deferred taxation has been recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in future, or a right to pay less taxation in future. An asset is not recognised to the extent that the transfer of economic benefits in future is uncertain. Deferred tax assets and liabilities recognised have not been discounted.

#### **Pension costs**

Pension arrangements for staff are operated through the Camden Ventures Limited defined contribution scheme.

Following the adoption of FRS 17 'Retirement benefits' during the year all retirement benefits are accounted for in accordance with that standard.

Pension costs are charged to the profit and loss account in the period they occur.

# **CHA (2005) Limited**

## **Notes to the financial statements for the year ended 31 December 2006 (continued)**

### **1 Principal accounting policies (continued)**

#### **Finance costs**

In accordance with the provisions of FRS4 ("Capital Instruments"), finance costs associated with capital instruments are recognised in the profit and loss account on a systematic basis taking into consideration the Company's outstanding obligations

Finance costs relating to non-equity shareholders' funds are treated as appropriations

Debt issue costs are accounted for as a reduction in the proceeds of the related instrument and are recognised in the profit and loss account over the period up to the earliest possible repayment of the related debt

Interest rate caps are capitalised at cost, included in prepayments and amortised over the term of the cap

#### **Related party transactions**

Advantage has been taken of the exemption within FRS 8 (Related Party Transactions) not to disclose transactions between Group companies

The company has a number of related parties on the basis of the entities being under common ownership and control. Refer to note 24 for summary of the transactions during the year and balances outstanding

### **2 Segmental reporting**

Turnover and profits arise entirely from sales made in the United Kingdom in respect of the Group's principal activity

### **3 Directors' emoluments**

No director of the Company exercised share options during the period and none became entitled to receive shares under any long term incentive scheme

P Dunkley and D Hammond are remunerated by Camden Ventures Limited, a related entity. Accordingly, their emoluments are included in the statutory accounts of that entity

## CHA (2005) Limited

### Notes to the financial statements for the year ended 31 December 2006 (continued)

#### 4 Employee information

The average monthly number of persons (including executive directors) employed by the Group during the year was

	2006	2005
	Number	Number
By activity		
Staff wholly employed in the motor vehicle business	776	794

	2006	2005
	£000	£000
Staff costs (for the above persons)		
Wages and salaries	19,068	18,141
Social security	1,691	1,584
Other pension costs (note 17)	209	213
	20,968	19,938

#### 5 Interest payable and similar charges

	2006	2005
	£000	£000
Bank loans and overdrafts	835	652



# CHA (2005) Limited

## Notes to the financial statements for the year ended 31 December 2006 (continued)

### 6 Operating profit

	2006	2005
	£000	£000
Operating profit is stated after charging		
Depreciation on tangible fixed assets	827	832
Amortisation of goodwill	8	-
Auditors' remuneration – audit services	43	36
Operating leases – land and buildings	2,409	2,010

### 7 Tax on profit on ordinary activities

	2006	2005
	£000	£000
UK corporation tax at 30% (2005 30%)	1,302	1,922
Total current tax	1,302	1,922
Deferred tax	88	-
<b>Tax on profit on ordinary activities</b>	<b>1,390</b>	<b>1,922</b>

The deferred tax liability has not been discounted

The tax for the year is equal (2005 equal) than the standard rate of corporation tax in the UK of 30%. The differences are explained below

	2006	2005
	£000	£000
Profit on ordinary activities before tax	4,341	6,407
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2005 30%)	1,302	1,922
Effects of		
Expenses not deductible for tax purposes	-	-
Other timing differences	-	-
	<b>1,302</b>	<b>1,922</b>

## CHA (2005) Limited

### Notes to the financial statements for the year ended 31 December 2006 (continued)

#### 8 Profit for the financial year

As permitted by section 230 of the Companies Act 1985, the Company's profit and loss account has not been included in these financial statements. The Company's retained profit for the year was £nil.

#### 9 Dividends and appropriations

	2006	2005
	£000	£000
Dividends paid to former parent company prior to restructure	-	(13,141)
Dividends received from former subsidiary undertakings prior to restructure	-	650
An interim dividend of £326.50 per Ordinary A Share	5,000	-
	5,000	(12,491)

#### 10 Tangible fixed assets

Group	Leasehold Property	Plant Equipment	Totals
	£000	£000	£000
<b>Cost</b>			
As at 1 January 2006	593	7,117	7,710
Additions	-	1,420	1,420
Disposals	(78)	(164)	(242)
<b>At 31 December 2006</b>	<b>515</b>	<b>8,373</b>	<b>8,888</b>
<b>Depreciation</b>			
At 1 January 2006	352	4,883	5,235
Charge for the year	121	706	827
Disposals	(54)	(74)	(128)
<b>At 31 December 2006</b>	<b>419</b>	<b>5,515</b>	<b>5,934</b>
<b>Net book value at 31 December 2006</b>	<b>96</b>	<b>2,858</b>	<b>2,954</b>
Net book value at 31 December 2005	241	2,234	2,475

The company had no tangible fixed assets

# CHA (2005) Limited

## Notes to the financial statements for the year ended 31 December 2006 (continued)

### 11 Intangible fixed assets

	Goodwill £000
<b>Cost</b>	
As at 1 January 2006	114
Additions	47
<b>At 31 December 2006</b>	<b>161</b>
<b>Amortisation</b>	
At 1 January 2006	-
Charge for the year	8
<b>At 31 December 2006</b>	<b>8</b>
<b>Net book value at 31 December 2006</b>	<b>153</b>
Net book value at 31 December 2005	114

The goodwill addition relates to the acquisition of the Solihull Mitsubishi site in February 2006

### 12 Interests in group undertakings

The following are the wholly owned subsidiary undertakings of CHA (2005) Limited, all of which have been included within the consolidated financial statements

Name of undertaking	Country of incorporation	Description of shares held	Proportion of nominal value of issued shares held by:	
			Group	Company
Camden Motors Limited	Great Britain	'A' Ordinary 1p shares	100%	Nil
		'B' Ordinary 1p shares	-	-
Charles H Allen Limited	Great Britain	Ordinary £1 shares	100%	100%
		Preference £1 shares	100%	100%
		Non cumulative preference	100%	100%
		3 75% £1 shares		
Allen Ford (UK) Limited	Great Britain	'A' Ordinary 1p shares	100%	Nil
		'B' Ordinary 1p shares	-	-

Camden Motors Limited is a dormant company Charles H Allen Limited is an intermediate holding company  
The principal activities of Allen Ford (UK) Limited are the distribution, sale, repair and service of new and used vehicles and the sale of accessories and replacement parts

## CHA (2005) Limited

### Notes to the financial statements for the year ended 31 December 2006 (continued)

#### 13 Stock

	Group	Group	Company	Company
	2006	2005	2006	2005
	£000	£000	£000	£000
Motor vehicles	45,275	51,124	-	-
Parts, accessories and other stocks	1,805	1,350	-	-
	47,080	52,474	-	-

Vehicle consignment stocks are recognised on the balance sheet where, in substance, they are deemed to be assets of the company. The principal criterion applied is whether the vehicles are interest bearing. The corresponding liabilities have been included in creditors.

#### 14 Debtors: amounts falling due within one year

	Group	Group	Company	Company
	2006	2005	2006	2005
	£000	£000	£000	£000
Trade debtors	7,653	8,406	-	-
Amounts due from group undertakings	-	-	-	-
Amounts due from related parties	86	1,833	-	-
Prepayments and accrued income	4,064	6,007	-	-
Deferred Tax (note 16)	109	197	-	-
	11,912	16,443	-	-

# CHA (2005) Limited

## Notes to the financial statements for the year ended 31 December 2006 (continued)

### 15 Creditors: amounts falling due within one year

	Group	Group	Company	Company
	2006	2005	2006	2005
	£000	£000	£000	£000
Bank loans and overdrafts	10,759	7,948	-	-
Trade creditors	40,740	52,207	-	-
Other taxation and social security	956	1,137	-	-
Amounts owed to related parties	2,393	-	-	-
Corporation tax	583	994	-	-
Other creditors	1,000	1,000	-	-
Accruals and deferred income	479	981	-	-
	56,910	64,267	-	-

The bank overdraft is secured by way of a fixed and floating charge over the assets of the company, and a guarantee provided by Camden Ventures Limited

Amounts owed to Group undertakings are unsecured, interest free and have no fixed date of repayment. The amounts include £nil (2005: £nil) in respect of amounts payable for group relief.

### 16 Provisions for liabilities and charges

	Deferred taxation
	£000
<b>Group</b>	
At 1 January 2006	197
Charged to the profit and loss account in the year	(88)
<b>At 31 December 2006</b>	<b>109</b>

# CHA (2005) Limited

## Notes to the financial statements for the year ended 31 December 2006 (continued)

### 16 Provisions for liabilities and charges (continued)

#### Deferred taxation

Deferred taxation provided in the financial statements is as follows

	Amount provided 2006 £000	Amount provided 2005 £000
<b>Group</b>		
Tax effect of timing differences		
Excess of tax allowances over depreciation	99	187
Short term timing differences	10	10
	109	197

There are no deferred tax charges in the Company

### 17 Pension and similar obligations

The company contributes to a Camden Ventures Limited defined contribution scheme where the retirement benefits of certain employees are funded by contributions from the company. These contributions are based on pension costs across the group as a whole and paid by Camden Ventures Limited to insurance companies and charged to the profit and loss account for the year in which they become payable. There were no amounts outstanding at 31 December 2006. The total pension cost for the year was £209,000 (2005 £213,000).

### 18 Called up share capital

Group and Company	2006 £	2005 £
<b>Authorised</b>		
100,000 A ordinary shares of 1p each	1,000	1,000
<b>Allotted, called up and fully paid</b>		
15,314 A ordinary shares of 1p each	153	153

# CHA (2005) Limited

## Notes to the financial statements for the year ended 31 December 2006 (continued)

### 19 Reserves

Group	Other reserve	Profit & loss account	Total
	£000	£000	£000
At 1 January 2006	2,472	4,773	7,245
Loss for the year	-	(2,049)	(2,049)
At 31 December 2006	2,472	2,724	5,196

Company	Profit & loss account
	£000
At 1 January 2006	-
Dividends received	5,000
Interim dividend paid (£326.50 per A ordinary share of 1p)	(5,000)
Retained profit for the year	-
At 31 December 2006	-

### 20 Reconciliation of net cash flow to movement in net debt

	2006	2005
	£000	£000
Reduction in cash in the year	(2,810)	(337)
Net debt at 1 January	(7,943)	(7,606)
Net debt at 31 December	(10,753)	(7,943)

# CHA (2005) Limited

## Notes to the financial statements for the year ended 31 December 2006 (continued)

### 21 Movement in net debt

	At 1 January 2006	Cash flow	At 31 December 2006
	£000	£000	£000
Cash in hand and at bank	6	1	7
Overdrafts and other on demand facilities	(7,948)	(2,811)	(10,759)
	(7,942)	(2,810)	(10,752)

### 22 Financial commitments

	2006	2005
	£000	£000
Annual commitments in respect of operating leases		
Expiring within one year	291	52
Expiring between two and five years	-	486
Expiring after five years	2,240	1,661
	2,531	2,199

### 23 Contingent liabilities

The company has provided a guarantee in favour of Ford Credit, GMAC and Barclays Bank plc in respect of certain funding facilities provided to Allen Ford (UK) Limited



## CHA (2005) Limited

### Notes to the financial statements for the year ended 31 December 2006 (continued)

#### 24 Related party transactions

The group has a number of related parties on the basis of the entities being under common ownership and control. The transactions during the year and balances outstanding are described below.

	Sales to related party	Purchases from related party	Amounts owed by related party	Amounts owed to related party
	£000	£000	£000	£000
Related party				
Car Shops Limited	21	-	2	-
Camden Corporate Fleet Services Limited	1,021	1,017	84	61
Camden Ventures Limited	123	3,093	-	2,332