THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or the action you should take, you should consult a person authorised for the purposes of the Financial Services and Markets Act 2000 (as amended) (''FSMA'') who specialises in advising on the acquisition of shares and other securities immediately.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. Neither the United Kingdom Listing Authority nor the London Stock Exchange has examined or approved the contents of this document.

This document, which constitutes an AIM admission document relating to Cambria Automobiles plc (the ''Company''), has been drawn up in accordance with the AIM Rules for Companies. This document does not contain an offer of transferable securities to the public in the United Kingdom within the meaning of section 102B of the FSMA and is not required to be issued as a prospectus pursuant to section 85 of FSMA. Accordingly, this document has not been pre-approved by or filed with the FSA or any other competent authority.

Application has been made for the admission of the entire issued share capital of the Company to trading on AIM, a market operated by the London Stock Exchange. It is expected that Admission will become effective and dealings in the Ordinary Shares will commence on AIM at 8.00 a.m. on 1 April 2010. The rules of AIM are less demanding than those of the Official List of the United Kingdom Listing Authority. It is emphasised that no application is being made for admission of these securities to the Official List of the United Kingdom Listing Authority. The Ordinary Shares are not dealt on any other recognised investment exchange and no application has been or is being made for the Ordinary Shares to be admitted to any other exchange.

The Directors of the Company, whose names and functions appear on page 3, and the Company accept responsibility for the information contained in this document and compliance with the AIM Rules. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts, and this document makes no omission likely to affect the import of such information. In connection with this document, no person is authorised to give any information or make any representation other than as contained in this document.

Cambria Automobiles plc

(incorporated and registered in England and Wales with registered number 05754547)

Admission to trading on AIM

NOMINATED ADVISER AND BROKER

Fairfax I.S. PLC

Ordinary Shares following Admission

Number of Ordinary Shares in issue	Nominal value
100,000,000	10 pence

Fairfax I.S. PLC, which is authorised and regulated by the Financial Services Authority in the United Kingdom and is a member of the London Stock Exchange, is acting as nominated adviser and broker exclusively to the Company in connection with Admission. Its responsibilities as the Company's nominated adviser under the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or any other person in respect of his decision to acquire Ordinary Shares in the Company in reliance on any part of this document. No representation or warranty, express or implied, is made by Fairfax I.S. PLC as to any of the contents of this document for which the Directors of the Company are responsible (without limiting the statutory rights of any person to whom this document is issued). Fairfax I.S. PLC will not be offering advice and will not otherwise be responsible for providing customer protections to recipients of this document or any acquisition of shares in the Company. Fairfax I.S. PLC has not authorised the contents of, or any part of, this document, and no liability whatsoever is accepted by Fairfax I.S. PLC for the accuracy of any information or opinions contained in this document or for the omission of any material information.

Your attention is drawn to Part II of this document, which sets out certain risk factors relating to any investment in Ordinary Shares. All statements regarding the Group's business, financial position and prospects should be viewed in light of the risk factors set out in Part II of this document. Notwithstanding this, prospective investors should read the whole of this document.

This document does not constitute an offer to sell or the solicitation of an offer to buy shares in any jurisdiction and should not be distributed directly or indirectly to any persons with addresses in the United States of America (or any of its territories or possessions), Canada, Japan or Australia, or to any corporation, partnership or other entity created or organised under the laws thereof, or in any other country outside the United Kingdom where such distribution may lead to a breach of any legal or regulatory requirement. The Ordinary Shares have not been and will not be registered under the applicable securities laws of the United States, Canada, Australia, Japan, or to, or for the account or benefit of U.S. persons or any natural, citizen or resident of the United States, Canada, Australia or Japan.

Copies of this document will be available free of charge during normal business hours on any weekday (except Saturdays, Sundays and public holidays) at the offices of Fairfax I.S. PLC, 46 Berkeley Square, Mayfair, London W1J 5AT and the Company's website www.cambriaautomobilesplc.co.uk from the date of this document until the date which is one month from the date of Admission.

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DIRECTORS, OFFICERS AND ADVISERS

Directors	Warren Michael Scott	(Non-executive Chairman)
	Mark Jonathan James Lavery	(Chief Executive Officer)
	James Anthony Mullins	(Finance Director)
	Sir Peter Alexander Burt	(Non-executive Director)
	Michael Wallace Burt	(Non-executive Director)
	Rodney Philip Smith	(Non-executive Director)
	whose address is:	
	Dorcan Way Swindon SN3 3RA	
Company Secretary	James Anthony Mullins ACA	
Registered Office	Dorcan Way Swindon SN3 3RA	
Nominated Adviser and Broker	Fairfax I.S. PLC 46 Berkeley Square London W1J 5AT	
Solicitors to the Company	Mayer Brown International LLP 201 Bishopsgate London EC2M 3AF	
Solicitors to the Nomad and Broker	Travers Smith LLP 10 Snow Hill London EC1A 2AL	
Reporting Accountants	Baker Tilly Corporate Finance LLP 2 Bloomsbury Street London WC1B 3ST	
Auditors	KPMG LLP Arlington Business Park Reading Berkshire RG7 4SD	
Registrars	Capita Registrars Limited Northern House Woodsome Park Fenay Bridge Huddersfield HD8 0GA	
ISIN	GB000B4R32X65	
TIDM	CAMB.L	
Website	www.cambriaautomobilesplc.co.uk	

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication date of this document	30 March 2010
Admission becoming effective and trading in the Ordinary Shares to commence	8.00 a.m. 1 April 2010

ADMISSION STATISTICS

Number of Ordinary Shares in issue as at the date of Admission	100,000,000
Market capitalisation of the Company at 50 pence per Ordinary Share on Admission	£50,000,000

DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

"Admission"	admission of the issued and to be issued Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules for Companies
"AIM"	the market of that name operated by the London Stock Exchange
"AIM Rules" or **"AIM Rules for Companies"**	the rules and guidance for companies whose shares are admitted to trading on AIM entitled "AIM Rules for Companies" published by the London Stock Exchange, as amended from time to time
"AIM Rules for Nominated Advisers"	the rules and guidance for nominated advisers entitled "AIM Rules for Nominated Advisers" published by the London Stock Exchange, as amended from time to time
"Articles"	the articles of association of the Company details of which are set out in paragraph 5 (*Summary of memorandum of association and Articles*) of Part IV (*Additional Information*)
"Autohaus"	Autohaus Limited
"Board"	the board of directors of the Company
"CA85"	the Companies Act 1985 (as amended)
"CA06"	the Companies Act 2006 (as amended)
"CAAL"	Cambria Automobiles Acquisitions Limited, a wholly owned subsidiary of the Company
"Caledonia"	Caledonia Motor Group Limited
"Cambria" or **"Company"**	Cambria Automobiles plc, a company incorporated in England and Wales with registered number 05754547
"CAPL"	Cambria Automobiles Property Limited, a wholly owned subsidiary of the Company
"CASL"	Cambria Automobiles (Swindon) Limited, a wholly owned subsidiary of the Company
"CGT"	Capital gains tax
"Combined Code"	the principles of good governance and code of best practice prepared by the Committee on Corporate Governance and published by the Financial Reporting Council in July 2006, as amended from time to time
"CREST"	the relevant system (as defined in the CREST Regulations) to facilitate the transfer of title to shares in uncertificated form operated by Euroclear
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) as amended
"CVSL"	Cambria Vehicle Services Limited, a wholly owned subsidiary of the Company
"Directors"	the directors of the Company whose names are set out on page 3 of this document and "Director" shall mean any one of them
"Disclosure and Transparency Rules"	the disclosure and transparency rules issued by the FSA acting in its capacity as the competent authority pursuant to Part VI of FSMA
"D&F"	D&F Trading Limited (renamed Invicta Motors (Maidstone) Limited), a wholly owned subsidiary of the Company

"Euroclear"	Euroclear UK & Ireland Limited, a company registered in England and Wales with registered number 2878738, operator of CREST
"EU"	the European Union
"Executive Directors"	Mark Lavery and James Mullins
"Fairfax" or **"the Broker"**	Fairfax I.S. PLC, a company registered in England and Wales with registered number 5496355
"FSA"	Financial Services Authority of the United Kingdom
"FSMA"	the Financial Services and Markets Act 2000, as amended
"Group"	the Company and its subsidiary undertakings as described in paragraph 3 (*Group Organisation*) of Part IV (*Additional Information*) and "member of the Group" shall be construed accordingly
"HMRC"	HM Revenue & Customs
"IAS"	International Accounting Standards
"IFRS"	International Financial Reporting Standards
"IML"	Invicta Motors Limited, a wholly owned subsidiary of the Company
"Introduction Agreement"	the conditional agreement between (1) the Company, (2) the Directors and (3) Fairfax in relation to Admission and which is summarised in paragraph 14.2 of Part IV of this document
"ISIN"	International Securities Identification Number
"LIBOR"	London Inter-Bank Offer Rate
"Lock-in Agreement"	the agreement between (1) the Company, (2) the Directors, (3) certain other Shareholders including Promethean and (5) Fairfax which is summarised in paragraph 14.3 of Part IV of this document
"London Stock Exchange"	London Stock Exchange plc
"Lythgoe"	Lythgoe Motors Limited
"Official List"	the Official List of the UKLA
"Ordinary Shares"	ordinary shares of 10 pence each in the capital of the Company
"Promethean"	Promethean plc
"Promethean Group"	Promethean and various parent, sister and subsidiary companies
"Shareholders"	holders of Ordinary Shares, each individually a Shareholder
"SMMT"	the Society of Motor Manufacturers and Traders Limited, an industrial body which supports and promotes the interests of the UK automotive industry in the UK and abroad
"Statutes"	means the CA85, the CA06 and every other statute (and any subordinate legislation, order or regulations made under any of them) concerning companies and affecting the Company, in each case, as they are for the time being in force
"subsidiary", **"subsidiary undertaking"**, **"associated undertaking"** and **"undertaking"**	have the meanings given to them in CA06

"Sudbury Swindon"	Grange Motors (Swindon) Ltd (formerly Sudbury (Swindon) Limited), a wholly owned subsidiary of the Company
"Summit"	Summit Motors Investment (UK) Limited, a wholly owned subsidiary company of the Company, subsequently renamed Cambria Automobiles (South East) Limited
"Takeover Code"	The City Code on Takeovers and Mergers
"Thoranmart"	Thoranmart Limited, a wholly owned subsidiary of the Company
"TIDM"	Tradable Instrument Display Mneumonic
"UK" or **"United Kingdom"**	United Kingdom of Great Britain and Northern Ireland
"UKLA"	United Kingdom Listing Authority
"UK GAAP"	United Kingdom generally accepted accounting principles
"uncertificated" or **"in uncertificated form"**	recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which may be transferred by means of CREST

In this document all references to times and dates are to those observed in London, United Kingdom.

PART I

INFORMATION ON THE COMPANY

1. INTRODUCTION

Cambria's principal activities are the sale and servicing of motor vehicles and the provision of ancilliary services. The Group operates from 25 sites with a total of 37 dealer franchises. Cambria is seeking Admission to raise the public profile of the Company, to facilitate access to development capital should the need arise in the future and to attract over time, a wider shareholder base.

2. HISTORY AND DEVELOPMENT

Cambria was founded in March 2006 by Mark Lavery and Rodney Smith, who have considerable experience in the motor retail trade. Their objective was to create an independent UK motor dealership group operating across the country representing the volume, premium and luxury segments of the motor vehicle market through a "buy and build" strategy.

The first acquisitions for the Group were CASL and Sudbury Swindon in July 2006. As a result of these acquisitions the Group acquired two operating sites and three dealer franchises. The Group then acquired another operating site and another dealer franchise through the acquisition of Thoranmart in August 2007. After that, on 31 December 2007, the Group acquired eleven operating sites and fifteen dealer franchises through the acquisition of Summit. The Group subsequently acquired the trade and assets of Caledonia in January 2008, the trade and assets of Autohaus in October 2009 and certain assets of Lythgoe in December 2009. In addition, four new franchises were added to the Group in October 2008 (Nissan, Volvo (2) and Lotus). The Group's most recent acquisition was D&F in February 2010. The Group now operates from 25 sites with a total of 37 franchise outlets.

Principal trading activities

The Group is a retailer of new and used cars, commercial vehicles and motorbikes.

The Group's new car sales division sells cars to local fleet and business customers and individuals. The new car sales division also arranges finance and insurance to car purchasers, as well as service plans for the ongoing maintenance of vehicles. The Group is also an authorised repairer for specific manufacturers. The Group provides accident repair facilities for its customers, either through its own accident repair centre in Kent or by way of sub-contract to other accident repairers.

Additionally, the Group supplies parts for the repairs of cars completed by the Group, owned by individuals and businesses and to other car dealers, independent vehicle repairers and accident repair centres.

3. STRATEGY

The UK motor retail dealer sector is very fragmented. The Directors believe that the dealer franchised network is composed, *inter alia*, of small dealer groups, a significant number of which are family owned businesses, often where the next generation does not wish to continue to operate in the industry. As a consequence, the Directors believe that there are a number of opportunities to expand the Group through acquisition in the UK.

Additionally, the motor industry continues to go through a very difficult period and the sector forecast for 2010 suggests this will continue. The Directors believe that many operators will continue to be under pressure, which will lead to opportunities for the Group to acquire underperforming businesses.

The Directors believe that the implementation of the Group's defined operating strategy, which has been developed to turn around and restructure underperforming business units will be important in achieving the future success of the Group. Prior to any acquisition Cambria undertakes an analysis of the potential target's operations and seeks to identify its inefficiencies. The Group then implements a detailed review of the target's overheads, incorporating a rationalisation plan to ensure that the base costs of any acquired business are appropriately structured.

Other components of Cambria's operating strategy are as follows:

Autonomous business units

The Directors believe that the industry requires entrepreneurial instinct, together with operational and marketing flair. The Directors believe that entrepreneurial instinct is fostered by the philosophy of autonomous stand alone business units. The Group seeks to encourage this instinct by allowing decisions relating to local operational matters to be made by local management. This is achieved by infrastructure at the local level that enables the general managers (who are responsible for the operation of either a region or specific set of dealerships) and branch financial controllers to make operational decisions. General managers and financial controllers in effect act as ''managing directors'' and ''finance directors'' of ''their'' business, designing and implementing ''local'' initiatives for ''their'' business. This includes marketing programmes, local events and associates engagement evenings. They have the autonomy and authority to make decisions that affect ''their'' local businesses.

Cambria digital

On completion of an acquisition, the Cambria in house ''digital team'' implements a web strategy known as the ''Cambria Digital Model'' which focuses on the following key areas: ''Acquisition'', ''Conversion'', ''Operation'' and ''Retention''. The overall aim is to increase sales, profit and market share whilst reducing the overall cost per customer introduction, and ultimately, the cost of sales. Over 50 per cent. of the marketing and advertising budgets of the Group's dealerships are spent on online media rather than traditional media. The Group's systems allow daily monitoring of activity generated through the web site by the dealership management.

Cambria's culture – the four pillars

The Group works hard to instill a group culture. This culture is built around four pillars which are:

Pillar one – associate delight

The Directors believe that associates are the Company's most important asset and members of the team are not referred to as members of staff or employees, but rather as ''associates''. The Directors want all associates to be proud to be associated with the Group and to be given the autonomy to make decisions that effect the running of ''their'' business. The Directors promote internal development and foster a culture whereby associates feel they can achieve their career aspirations with Cambria. Equally, Cambria invests in its associates in order for them to achieve their full potential within the Group.

Pillar two – guest delight

Cambria associates are encouraged to treat all customers (or ''guests'') at all times, in the way that they would treat a guest coming into their own home. The Directors believe that associate empowerment is key to achieving this goal and the Directors believe that the organisation must be transparent and open at all times generating empathy with the diverse guest base of the Group.

Pillar three – brand delight

The Group's goal is to become the retailer of choice for all of the automotive manufacturers that it represents. This pillar focuses on achieving the following goals:

- brand vehicle sales objectives;
- brand part sales objectives;
- top quartile placing in brand customer satisfaction surveys; and
- the development of a trusting relationship with brand personnel from the manufacturer partners

Pillar four – stakeholder delight

The Group aims to provide satisfaction to stakeholders, including Shareholders, franchisors and employees. It seeks to achieve this through:

- disclosing timely and accurate information providing Shareholders with a detailed understanding of business performance.
- communicating openly and transparently.

The Group holds a mixture of freehold, long leasehold and short leasehold premises. The Group holds nine freehold and two long leasehold properties with a total net book value of £21.9 million.

The Group has generated strong revenue growth since its formation through acquisition, consolidation and development. The table below shows a summary of the statutory accounts for the three years to 31 August 2009:

Growth record

	Year ended 31 August 2007 £'000	**Year ended 31 August 2008 £'000**	**Year ended 31 August 2009 £'000**
Turnover	26,334	187,916	255,466
Operating Profit	99	3,671	3,371
Net Profit before Tax	(471)	2,147	2,042
EBITDA	340	4,602	4,563
Turnover growth		614%	36%
Operating Profit growth		3,608%	(8%)
Net Profit growth		556%	(5%)
EBITDA growth		1,253%	(1%)

4. MANAGEMENT EXPERTISE

The Board and senior management team have in aggregate over 70 years experience in the motor retail and finance industry.

Management have a proven track record in completing complex transactions involving multiple manufacturers and banks in a cost effective and timely manner. The purchase of Summit from Sumitomo Corporation, consisting of the acquisition of eleven sites operating 15 franchises was a good example of this. To date, the Company has completed seven acquisitions acquiring a total of 25 operating sites and 37 manufacturer franchises (four of these franchises being negotiated separately from an acquisition. The Company's profit before tax has grown from the date of incorporation in March 2006 to £2.04 million as at 31 August 2009.

5. DIRECTORS AND EMPLOYEES

Directors

The biographical details of the Directors of the Company are set out below:

Warren Michael Scott, Non-Executive Chairman, aged 46

Warren Scott graduated from Loughborough University with a BSc in Accounting and Financial Management. Warren spent the majority of his career at KPMG where he was a Partner in the European Corporate Finance practice. Between June 2007 and January 2010 Warren was a Managing Director at Jefferies International.

Warren has worked with the Board and advised on the development of Cambria since its incorporation in 2006. He was appointed a Non Executive Director and the Chairman of the Company on 1 February 2008.

Mark Jonathan James Lavery, Chief Executive Officer, aged 44

Mark Lavery has over 20 years automotive retail experience and is considered to be a highly experienced executive in the automotive dealership industry. He was the Group Operations Director of Hartwell PLC from 2001 to 2003, an Operations Board Director of Reg Vardy PLC from 2003 to 2004 and became the Chief Executive Officer of Cambria in 2006.

James Anthony Mullins, ACA, JIEB, Finance Director, aged 31

James Mullins graduated from the University of Manchester with a BA in Accounting and Finance and qualified as a Chartered Accountant in 2001. James subsequently passed the joint insolvency examinations board (JIEB) exams in 2005. James spent eight years with Grant Thornton's automotive services team prior to joining the Group in May 2007. James has significant experience in corporate finance, corporate restructuring and due diligence in the automotive retail sector.

Sir Peter Alexander Burt, Non Executive Director, aged 66

Sir Peter Burt has over 25 years of investment experience combined with significant acquisition and integration experience and proven operating and management skills. Sir Peter spent the majority of his career with Bank of Scotland. He was Appointed Chief General Manager and Chairman of the Management Board in 1988, later becoming Group Chief Executive. Following the merger with Halifax he became Deputy Chairman in 2001 of the new HBOS plc. He retired from this post in January 2003. Since 2003, Sir Peter has held a number of positions including non-executive director of Shell Transport & Trading Company plc and subsequently of Royal Dutch Shell plc, advisor to Apax Partners, non- executive Chairman of ITV plc and Chairman of Promethean.

Michael Wallace Burt, Non Executive Director, aged 35

Michael Burt began his private equity career at Dresdner Kleinwort Capital. In 1999 Michael joined Ellerman Investments, the UK investment management company of Sir David and Sir Frederick Barclay. Whilst at Ellerman, Michael worked in a team of four investment professionals and was heavily involved in the acquisition of Littlewoods plc and GUS's Home Shopping division. Michael left Ellerman in 2004 and joined Collins Stewart where he began to develop a principal investment business, before leaving to help establish the Promethean Group.

Rodney Philip Smith, Non-Executive Director, aged 68

Rodney Smith has 40 years financial and operational experience in the retail motor industry including responsibility as Group Finance Director of SMAC Group PLC and of Caverdale PLC, as well as senior executive positions with Hartwell PLC, Dutton Forshaw and Abercromby. Rodney was the Finance Director of the Company from July 2006 until May 2007.

Equity participation

On Admission, the Directors will be interested, in aggregate, in 49,064,530 Ordinary Shares, representing 49.06 per cent. of the issued share capital of the Company.

6. MARKET OVERVIEW AND PROSPECTS

Opportunities

The Board believes that whilst current global and UK economic conditions have set considerable challenges for the automotive industry, the conditions have also created a significant opportunity for Cambria.

The Directors believe that in the years prior to the economic downturn in 2008, high real estate prices and the ready availability of cheap credit led many motor dealership businesses in the UK to leverage their balance sheets with property sale and leaseback agreements. The Directors believe that this has led to a UK industry wide problem where rental commitments and increasing lease costs have forced a number of motor dealership operators into financial difficulties. The Board has already found (in terms of some of the Group's previous acquisitions) and expects to continue to find, that these conditions produce a number of distressed motor dealership businesses that are suitable acquisition targets for the Group.

Global position

In recent years the global economy and the automotive industry have experienced extremely difficult market conditions. In 2009 it was unclear whether all three of the largest US auto manufacturers (Ford, Chrysler and General Motors) would survive and in May 2009 Chrysler went into ''Chapter 11'' bankruptcy protection. The global automotive industry has undergone significant and permanent structural change.

The UK

The situation in the UK market partially reflects the global position. Uncertainties in financial markets and rising unemployment have affected UK consumer confidence. A reduction in the availability of consumer credit to finance car purchases has reduced the market for vehicle purchases. The UK economy officially entered into recession in the third quarter of 2008 and only emerged in the first quarter of 2010.

New car sales

In early 2009 there was a sharp reduction in the volume of new car sales in the UK with new car registrations in the first half down by 25.9 per cent. (source www.smmt.co.uk the website of The Society of Motor Manufacturers and Traders Limited ''SMMT'') compared to the same period in 2008. However, there was some recovery in new registrations in the second half of 2009 with the full year ending only 6.4 per cent. down on 2008 figures (source: SMMT). The improvements in new car sales volumes can be partially attributed to the implementation of the UK governments vehicle scrappage scheme.

The vehicle scrappage scheme

The UK Government announced a vehicle scrappage scheme in April 2009. The scheme started on 18 May 2009 and is expected to end shortly (when the £400 million funding has been exhausted). The scheme was designed to support the UK automotive industry by stimulating demand for new vehicles. Under the scheme, the UK Government offered a £1,000 incentive, matched by participating vehicle manufacturers, towards the cost of a new vehicle for consumers trading in a car or light commercial vehicle greater than ten years old. The scheme was subsequently extended to cars registered on 29 February 2000 or earlier and to light commercial vehicles registered on 28 February 2002 or earlier.

The vehicle scrappage scheme has provided a boost to the UK new car sales market, being partly responsible for generating eight consecutive months of growth to February 2010 (source: SMMT). However, partially reflecting the end of the vehicle scrappage scheme, SMMT's forecasts for the UK new car market in 2010 are estimated at 1.8 million units, which is 8.9 per cent. down on the previous forecast (source: SMMT).

The Board believes that the car scrappage scheme has been successful in stimulating demand for new car registrations and strengthened the Company's new car retail sales during the period of the scheme.

Used car sales

The used car market remains resilient, with the sector benefiting from rising used car values in 2009.

Aftersales

The Directors believe that the progress already made in improving the Company's profits from aftersales will continue into 2010.

7. PROSPECTS

Although it is hoped that the worst of the economic downturn is over. The Directors believe that there are signs that the much feared double dip recession may yet occur. Though Government measures to support the UK economy and, in particular the UK automotive industry, such as the reduction in VAT and the car scrappage scheme helped car sales to recover in the second quarter of 2009 and overall car sales performed far better than many had predicted, the outlook for 2010 is uncertain. The UK economy is not recovering at the same rate as other developed economies and the impact of VAT being restored to 17.5 per cent. from 1 January 2010 and the ending of the car scrappage scheme and introduction of the planned vehicle excise duty (''VED'') from April 2010, could have a significant effect on the Company's business.

The Directors believe that the UK automotive industry has a very difficult year ahead of it. However, the Board believes that the situation also presents opportunities and that Cambria is well prepared for the challenges ahead. The Directors believe that implementing the Company's operating strategy, acquisition strategy and the continued efforts of its employees will enable the Company to continue to outperform its competitors.

The Government is implementing a new vehicle excise duty charge from 1 April 2010. With the confirmed cessation of the scrappage scheme, the implementation of the VED programme and the increase in VAT, the Directors believe that the used car market will continue to be robust due to the price differential with new vehicles.

8. ADMISSION

Application has been made to the London Stock Exchange for the Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective and trading in the Ordinary Shares will commence on 1 April 2010.

9. CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument.

The Articles permit the Company to issue shares in uncertificated form in accordance with the CREST Regulations. The Ordinary Shares are eligible for CREST settlement. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if the relevant Shareholder so wishes. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so.

10. DIVIDEND POLICY

The Group does not currently declare dividends. The Directors currently propose to reinvest the Company's earnings to finance the growth of the business in the short to medium term and intend to commence the payment of dividends only when they consider it commercially prudent to do so, having regard to the availability of the Company's distributable profits, its banking covenants and the retention of funds required to finance future growth.

11. LOCK-IN AND ORDERLY MARKET ARRANGEMENTS

The Directors and Promethean, together with certain members of the senior management team, who will together have a beneficial interest in a total of 84,999,841 Ordinary Shares representing approximately 85 per cent. of the issued Ordinary Share capital of the Company on Admission have agreed, pursuant to the Lock-in Agreement referred to in paragraph 14.3 of Part IV of this document, save in limited circumstances, not to dispose of any interest in Ordinary Shares held by them for a period from Admission until 30 June 2012 and for a further period of 12 months thereafter only to dispose of any Ordinary Shares following consultation with the Company's broker and provided that any such disposal is on an orderly market basis through the Company's broker.

12. PROMETHEAN

Immediately prior to Admission, Promethean Group held a total of 51,377,871 Ordinary Shares in the Company. Upon Admission, shareholders in Promethean on the register as at 5 p.m. on 30 March 2010 are entitled to receive a capital return from Promethean by way of a share distribution of 21.1 per cent. of Promethean's holding in the Company (representing 10.9 per cent. of the issued share capital of the Company). In addition, a further 14 per cent. of Promethean's holding in the Company's shares will be distributed to carried interest partners in the Promethean Group (representing 7.2 per cent. of the issued share capital of the Company). Sir Peter Burt and Michael Burt, who are directors of the Company, will be entitled to receive shares in the Company in their capacity as carried interest partners in the Promethean Group. These shares are included in their total shareholdings shown paragraph 9.1 of Part IV of this document. Following Admission, Promethean will continue to hold 33.3 per cent. of the share capital in Cambria.

13. THE TAKEOVER CODE

The Company is incorporated in the UK and has its central place of management in the UK, accordingly, the Takeover Code applies to Cambria.

Under Rule 9 of the Takeover Code, any person who acquires an interest in shares (as defined in the Takeover Code), whether by a series of transactions over a period of time or not, which (taken together with any interest in shares held or acquired by persons acting in concert with him) in aggregate, carry 30 per cent. or more of the voting rights of a company which is subject to the

Takeover Code, that person is normally required by the Panel to make a general offer to all of the remaining shareholders to acquire their shares.

Similarly, when any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of such a company but does not hold shares carrying more than 50 per cent. of such voting rights, a general offer will normally be required if any further interests in shares are acquired by any such person.

An offer under Rule 9 must be in cash or be accompanied by a cash alternative and at the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of the company during the 12 months prior to the announcement of the offer.

Under the Takeover Code, a concert party arises where persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate to obtain or consolidate control (as defined below) of a company or to frustrate the successful outcome of an offer for a company. Control means holding, or aggregate holdings, of shares carrying 30 per cent. or more of the voting rights of the company, irrespective of whether the holding or holdings give de facto control. The Panel considers Promethean, Sir Peter Burt, Michael Burt, Hamish Burt, Angus Burt and Michael Biddulph as persons acting in concert for the purposes of the Takeover Code (the ''Promethean Concert Party''). Further, the Panel considers Mark Lavery and Rodney Smith as persons acting in concert for the purposes of the Takeover Code (the ''Founders Concert Party''). The Panel does not consider the Promethean Concert Party and the Founders Concert Party to be acting in concert.

Following Admission, Mark Lavery, Chief Executive Officer, of the Company, will hold 39,999,923 Ordinary Shares representing 40 per cent. of the issued share capital and Rodney Smith will hold 1,998,731 Ordinary Shares representing 2 per cent. of the issued share capital. Mark Lavery and Rodney Smith are considered to be in concert because they were founders of Cambria. The Founders Concert Party will hold 41,998,654 Ordinary Shares representing 42 per cent. of the issued share capital.

Following Admission, Promethean will hold 33,321,234 Ordinary Shares being 33.32 per cent. of the issued share capital. Sir Peter Burt, a Non-executive Director of the Group is also a director of Promethean, and will have an interest in 1,528,239 Ordinary Shares representing 1.53 per cent. of the issued share capital. Michael Burt, a non-executive Director of the Group is also a partner of Promethean Investments LLP (the manager of Promethean) and will have an interest in 1,528,239 Ordinary Shares representing 1.53 per cent. of the issued share capital. Hamish Burt is an employee of Promethean Investments LLP and will have an interest in 67,283 Ordinary Shares representing 0.07 per cent. of the issued share capital. Angus Burt will have an interest in 67,283 Ordinary Shares representing 0.07 per cent. of the issued share capital. Mike Biddulph is a partner of Promethean Investments LLP and will have an interest in 675,655 Ordinary Shares representing 0.68 per cent. of the issued share capital. Sir Peter Burt, Michael Burt, Hamish Burt and Angus Burt are all blood relatives. The Promethean Concert Party will hold 37,187,933 Ordinary Shares representing 37.19 per cent. of the issued share capital.

Accordingly, Shareholders should note that, following Admission, Mark Lavery, Rodney Smith, Promethean, Sir Peter Burt, Michael Burt, Hamish Burt, Angus Burt and Michael Biddulph will not be able to acquire any Ordinary Shares without triggering an obligation under Rule 9 of the Takeover Code or by obtaining Panel consent.

Further details concerning the shareholdings of the Directors, Promethean and the Lock-in Agreement are set out in paragraphs 9.1 and 14.3 of Part IV of this document.

14. CORPORATE GOVERNANCE

The Directors recognise the value of the Combined Code. The Company will, following Admission, endeavour to comply with the Combined Code, but given the size and nature of the Company, it will not seek to comply with those aspects of the Combined Code which are considered to be more appropriate for a larger public company with shares admitted to the Official List.

Board composition and committees

The Company has established an Audit Committee, a Remuneration Committee and a Nomination Committee.

The Audit Committee comprises Rodney Smith (as Chairman), Warren Scott and Michael Burt. The Audit Committee will receive and review reports from management and the Company's auditors relating to the annual and interim accounts and the accounting and internal control systems in use by the Company.

The Remuneration Committee comprises Rodney Smith (as Chairman), Mark Lavery and Warren Scott. It is responsible for determining and agreeing with the Board the framework for the remuneration of the Executive Directors, the Company Secretary and such other members of the management as it is designated to consider. It is furthermore responsible for determining the total individual remuneration packages of each Director including, where appropriate, bonuses, incentive payments and share options. The Remuneration Committee will also liaise with the Nomination Committee to ensure that the remuneration of newly appointed executives is within the Company's overall policy.

The Nomination Committee comprises Warren Scott (as Chairman), Rodney Smith and Michael Burt. It is responsible for reviewing the structure, size and composition of the Board, preparing a description of the role and capabilities required for a particular appointment and identifying and nominating candidates to fill Board positions as and when they arise.

Share Dealing

The Company will take all reasonable steps to ensure compliance by the Directors and persons discharging responsibility under s96 of FSMA with the provisions of the AIM Rules for Companies relating to dealings in securities of the Company and has adopted a share dealing code for this purpose. The Directors believe that the share dealing code adopted by the Board is appropriate for a company quoted on AIM. The Board will comply with Rule 21 of the AIM Rules for Companies relating to directors' dealings and will take all reasonable steps to ensure compliance by the Company's ''applicable employees'' (as defined in the AIM Rules for Companies).

15. TAXATION

The attention of investors is drawn to the information regarding taxation in relation to Admission which is set out in paragraph 21 of Part IV of this document. These details are, however, intended only as a general guide to the current tax position under UK taxation law for certain types of investor. Investors who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK are strongly advised to consult their professional advisers.

16. FURTHER INFORMATION

Your attention is drawn to the additional financial and other information set out in Parts II to IV inclusive of this document. In particular, Part II entitled ''Risk Factors'' should be considered carefully.

PART II

RISK FACTORS

An investment in the Ordinary Shares involves a high degree of risk. Accordingly prospective investors should carefully consider the specific risk factors set out below in addition to the other information contained in this document before investing in Ordinary Shares. The Board considers the following risks factors to be the most significant for potential investors in the Company, but the risks listed do not necessarily comprise all those associated with an investment in the Company and are not set out in any particular order of priority.

If any of the following risks actually occur, the Group's business, financial condition, capital resources, results or future operations could be materially adversely affected. In such a case, the price of the Ordinary Shares could decline and investors may lose all or part of their investment.

Additional risks and uncertainties not currently known to the Board may also have an adverse effect on the Group's business and the information set out below does not purport to be an exhaustive summary of the risks affecting the Group. In particular, the Company's performance may be affected by changes in the market and/or economic conditions and in legal, regulatory and tax requirements.

An investment in the Ordinary Shares described in this document is speculative. Potential investors are accordingly advised to consult a person authorised for the purposes of FSMA who specialises in advising on the acquisition of shares and other securities before making any investment decisions. A prospective investor should consider carefully whether an investment in the Company is suitable in the light of his or her personal circumstances and the financial resources available to him or her. If you are in any doubt about the action you should take, you should consult your independent professional adviser authorised under FSMA.

RISKS RELATING TO MARKET AND GENERAL ECONOMIC CONDITIONS

The UK motor industry experienced a significant downturn in new car sales volumes

New car sales volumes in the UK fell 11.3 per cent. in 2008 and 6.4 per cent. in the year to December 2009 against the equivalent period in 2008 (source: SMMT). However, new car registrations rose 28.7 per cent. in the two months to February 2010 compared to the two months to February 2009, with the scrappage scheme generating eight consecutive months of growth (source: SMMT). The end of the scrappage scheme, coupled with a shortage of used cars, and a fragile economic recovery could have a negative effect on the Group's business, results of operations, financial condition or prospects.

The new vehicle market has been adversely affected and could continue to be adversely affected by conditions in the global financial markets

The new vehicle market is influenced by general economic conditions, including taxation, changes in consumer confidence, fuel prices, the level of consumer spending and behaviour, interest rates, the level of unemployment, government transport policy and the availability of credit. In addition, the demand for new vehicles is cyclical, which in some years will lead to reduced margins on motor vehicle sales. During economic downturns such as the one the motor industry is currently experiencing, new vehicle sales to customers have declined due to weak demand, and a number of other factors including the significant increase in the price of oil, the potential impact of environmental regulation, the cost of road fund licenses on less fuel efficient, higher emission vehicles and the effects of a decline in residual values inflating the overall cost of vehicle ownership. Currently, the UK market is experiencing problems caused by a combination of these factors. Despite low interest rates, the lack of available credit, together with lower consumer confidence has resulted in a significant fall in new car registrations. Further, while consumer demand for used cars and aftersales (repairs, servicing and parts) is less prone to cyclicality than the demand for new vehicles, as customers substitute new car purchases for nearly new or used cars, or spend more money keeping their existing vehicles roadworthy, a further worsening in general economic conditions may also reduce demand for used car and aftersales services and such a reduction could have a material effect on the Group's business, results of operations, financial condition or prospects.

The motor industry has been and could continue to be adversely affected by the conditions in the global credit markets

The current tight credit conditions could restrict access to loans and leases, make lending conditions more stringent, and increase costs of credit for both the Group and potential purchasers of vehicles. This could have an adverse effect on the Group's new and used vehicle sales and profit margins. The Directors anticipate that these conditions may continue, and the availability of motor vehicle loans and leases could be constrained throughout 2010, and possibly beyond. The Group also relies on financing to carry on its business generally, and in particular to purchase stock vehicle inventory. Any inability to obtain financing on commercially acceptable terms, or any increase in borrowing costs, could have a material effect on the Group's business, results of operations, financial condition or prospects.

Changes in interest rates, and LIBOR in particular could adversely affect the Group's debt servicing costs

The Group's borrowing facilities, and the rates of interest which are payable on the amounts the Group has borrowed, are linked to LIBOR. Changes in interest rates and/or LIBOR could therefore adversely affect the Group's debt servicing costs. An increase in interest rates and/or LIBOR would increase the cost of debt to the Group with a negative effect on cash flow. Increased interest rates could impact on the Group's ability to comply with the covenants in its credit facilities and other borrowing arrangements in the longer term.

Failure to comply with the covenants in the Group's banking facilities and borrowing arrangements in the longer term could have a material effect on the Group's business and financial condition

Whilst the Group is currently operating within its banking covenants, a failure by the Group to comply with any of its financial covenants, in the longer term, could result in an acceleration of the Group's obligation to repay its borrowings before the expiry date of the Group's principal banking facilities. If such failure occurred, the lending banks would also be able to enforce their security and take control of some of the Group's assets and make a demand on any guarantees given in respect of the facilities. The Group cannot give any assurance that it would be able to refinance any such borrowings on commercially reasonable terms. The failure by the Company to comply with all of its financial covenants and/or its inability to refinance its borrowings could have a material adverse effect on the Group's business, financial condition or prospects.

Lack of funds available to the Group on acceptable terms could affect the Group's ability to develop its business

The Group's ability to grow its business is dependent, amongst other things, on its banking and stock financing facilities. The Group is reliant upon stock financing facilities to purchase and stock motor vehicle inventory. Recent challenging financial market conditions have led to a reduction in the availability of bank lending and the costs of most types of lending have significantly increased. The Group may find it more difficult to obtain stock financing on commercially acceptable terms in the longer term.

A decline in consumer demand for servicing, repairs and vehicle renewals could have a material adverse impact on the motor industry

As motor vehicles are built to higher standards and specifications become technologically more advanced, they may require less frequent servicing and repairs and may be subject to fewer breakdowns and require less frequent renewals. The Group's income is derived from car sales, after sales and finance and insurance services related to the car sales business. Any decline in demand for servicing and after sales services may have a material effect on the Group's business, results of operations, financial condition or prospects.

RISKS RELATING TO CAMBRIA'S BUSINESS

Non-compliance with environmental regulations may result in claims and liabilities which could be substantial

The Group is subject to environmental laws, regulations, policies and standards, including those that relate to the operation and removal of storage tanks and the use and storage and disposal of hazardous substances. The Group's retail and service, repair, parts and bodyshop centres use and store hazardous materials or could be located on land already contaminated. Any non-compliance with these regulations could result in significant fines, penalties and clean-up costs. Further investigation or remediation may be necessary in the event of leaks or discharges of hazardous substances or other such environmental incidents. Such investigation or remediation could give rise to unexpected liabilities and costs and have a material effect on the Group's business, results of operations, financial condition or prospects.

A major health and safety incident could expose the Group to liabilities and reputational damage

Operating in the motor industry poses certain inherent heath and safety risks, in particular in relation to service, repair, parts and bodyshop operations. A major health and safety incident may result in penalties for non-compliance with relevant statutory requirements and is likely to be costly in the event that liability is incurred. Furthermore, such a failure could generate significant adverse publicity and have a negative impact on the Group's reputation, which, in turn, may materially affect the Group's businesses, results of operations, financial condition or prospects. Violation of health and safety (including asbestos) laws and regulations could result in; restrictions on the operations of the Group's sites, damages, potential contamination of land, fines or other sanctions and increased costs of compliance together with potential reputational damage. Any or all of such results could have a material effect on the Group's business, results of operations, financial condition or prospects.

The terms of the Group's insurance cover may be subject to unfavourable changes

The Board believes that the Group has insured its assets and properties adequately and appropriately based on the risks associated with the Group's business and on industry practice. However, the Group cannot guarantee that it will be able to obtain such insurance on comparable terms in the future and this may have an adverse effect on the Group's business, results of operations, financial condition or prospects. For example, there is no guarantee that such insurance will continue to be available, the costs of such insurance may increase and/or the extent of the Group's coverage may reduce. Any such changes to the Group's current insurance cover could have a material effect on the Group's business, results of operations, financial condition or prospects.

RISKS RELATING TO LEGISLATIVE, REGULATORY AND TAXATION MATTERS

Risks relating to the European Commission Motor Vehicle Block Exemption

Changes to the European Commission Motor Vehicle Block Exemption (Commission Regulation (EC) No 1400/2002) (the ''MVBER'') could have a material adverse impact on the performance of the Group's business.

The MVBER is a law applicable to vertical supply arrangements (e.g. arrangements between a supplier and a distributor as opposed to between two distributors) in the motor vehicle sector relating to the supply of new vehicles, spare parts and repair and maintenance services within the European Community (''EC''). It ensures that arrangements such as; non-compete clauses, exclusive supply and distribution arrangements and sale price management provisions, which might otherwise be in breach of EC or national competition laws are excluded from these restrictions – provided they fall within the scope of the MVBER. The overall aim of the MVBER is to enhance competition in motor vehicle distribution relative to the sale of new vehicles and also between providers of maintenance and repair services, thereby increasing consumer choice.

The MVBER was due to expire on 31 May 2010. However, the European Commission (the **''Commission''**) is currently proposing to introduce a revised MVBER. Following consultation and consideration, the Commission proposes new arrangements which distinguish between the issues arising in the primary market for the sale of new vehicles (''**primary market**'') and those that may affect consumers in the after-sales service, spare parts distribution and repair and maintenance market (''**after market**'').

The Commission is currently proposing that:

(i) In relation to the primary market, the Commission felt that there were no significant competition short comings and this market no longer requires a specific block exemption and the application of the MVBER. From 1 June 2013, the primary market will benefit instead from the provisions of the more general Vertical Agreements Block Market Exemption (**''VABE''**). However, in order to allow operators time to adapt to the new legal framework, the current MVBER in respect of the primary market will be extended until 31 May 2013.

(ii) In relation to the after market, the Commission felt that it would be necessary to introduce sector specific block exemptions as the market was less competitive because of its brand specific nature and the prevalence of captive spare parts. This market will benefit from the general exemption granted to vertical agreements in the VABE. However, a new MVBER will supplement the VABE with stricter requirements, which will apply from 1 June 2010 and will expire on 31 May 2020. These stricter requirements mean that an arrangement will no longer fall within the exemptions if they include certain restrictions in arrangements such as restrictions on the sale of spare parts by members of a selective distribution system to independent repairers. Such arrangements may be considered anti-competitive.

These arrangements have not been finalised and there remains general uncertainty within the industry as to what the effect of the new regulations might be. However, the stricter requirements of the MVBER may alter the competitive position of the Group in this market and changes to the MVBER may have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

Legislative or regulatory changes could have a material effect on the Group's business, results of operations, financial condition or prospects

The Group is subject to laws, regulations and policies all of which are subject to change. Areas where changes could have an adverse impact on the Group's performance include, but are not limited to:

- general changes in government transport or regulatory policies (such as, changes to road taxes, Vehicle Excise Duty or fuel duty) which could significantly effect customer decisions or preferences in the motor vehicle sector;
- changes in environmental legislation, including stricter carbon dioxide emission performance standards for new passenger cars; and
- external bodies applying or interpreting standards or laws in a way which differs from the way in which the Group has historically applied or interpreted them.

Changes to taxation legislation or changes in available reliefs may adversely affect the Group's financial results and performance

Tax rules and/or their interpretation may change. Any change in taxation, legislation or regulation and/or their interpretation could affect the value of the Group's assets, the Group's ability to provide returns to Shareholders or otherwise have an adverse effect on the Group's business, results of operations, financial condition or prospects. Further, the Group's current assumptions as to its future performance (these assumptions being based on the current legislative position and any known future changes) may change as a result of changes to any reliefs from taxation that may be available to the Group in the future may not be in accordance with the assumptions made by the Group as to its future performance (these assumptions being based on the current legislative position and any known future changes). If the assumptions made by the Group as to such taxation reliefs available do not prove correct, the Group's ability to provide returns to Shareholders may be affected and there may be an adverse effect on the Group's business, results of operations, financial condition or prospects.

Employment-related securities

If the repurchase of C Shares referred to in paragraph 4.1(f) of Part IV were held to confer a benefit (within the meaning of Chapter 4 of part 7 of the Income Tax (Earnings and Pensions) Act 2003) on the holders of any other class of shares, then the amount of that benefit may be subject to UK income tax and National Insurance Contributions. The Directors have considered this issue, and on the basis of independent professional advice received have concluded that no such tax liability will arise. It is possible however, that this analysis could be disputed. If this were the case and this analysis were successfully challenged, no liability would attach to the Company unless HMRC established that in concluding that no tax liability arose the Board failed to reach a best and reasonable estimate of the tax due. Having taken independent professional advice, the Board considers that it has discharged this duty, and accordingly that no tax liability will attach to the Company.

The Group's operations and businesses may be materially affected by import product restrictions and foreign trade risks

A portion of the Group's new vehicle business involves the sale of vehicles or vehicle parts that are manufactured outside the EU. As a result, the Group's operations are subject to certain risks associated with imported goods, including import duties, differing tax rates and structures, trade restrictions, transportation costs, work stoppages and general political and economic conditions in foreign countries. The governments in the jurisdictions in which the Group sources vehicles or parts from could impose new or adjust existing quotas, duties, tariffs or other restrictions on goods. Any of those impositions or adjustments could materially affect the Group's ability to purchase imported vehicles and parts at reasonable prices. This could have a material adverse effect on the Group's business, results of operations, financial condition and operating results.

Risks relating to business and manufacturing partners and suppliers

Decreased availability or withdrawal of vehicle stock financing (**''VSF''**) facilities could have a material adverse effect on Group's business.

The Group finances a significant proportion of its working capital requirements using uncommitted VSF facilities secured against vehicle stocks owned by the Group.

VSF facilities are used to finance the majority of the Group's new and used vehicles. There is a risk that the pricing of these facilities could increase or be withdrawn, and that funding parameters and facility limits could be reduced. If any VSF providers were to withdraw their facilities, there is a risk that replacement facilities could be more expensive. If the level of VSF available to the Group was to be significantly reduced, this would have a serious impact on the cash liquidity of the Group at short notice and could therefore have a material adverse effect on the business, results of operations, financial condition or prospects of the Group.

The Group's financial condition and results of operations depend on the success, financial strength and support of its business and manufacturing partners and suppliers

The Group has various arrangements in place with its business and manufacturing partners and suppliers. The Group's overall success is dependent upon the franchise arrangements in place for the portfolio of brands which it retails.

The Group depends on its business and manufacturing partners and suppliers to provide it with a supply of new vehicles and parts which meet regulatory requirements, such as the proposed EU legislation to reduce carbon dioxide emissions, and which fulfil consumer demands and satisfy consumer preferences. The Group's profitability may be adversely affected where it cannot obtain an appropriate supply and/or quality of new vehicles or parts to respond to consumer tastes or which comply with regulations in the markets in which it operates. In addition, delays by business and manufacturing partners in the roll-out, supply and delivery of new vehicles or parts could lead to reduced sales which in turn could have a material adverse effect on the Group's business, results of operations, financial condition or prospects. Further, the Group's manufacturing partners use a series of incentive schemes to support new car sales and warranty programmes. Changes to or discontinuation of these schemes or programmes could also affect the Group's business.

The Group's manufacturing partners and suppliers have been and may continue to be adversely affected by economic downturns or recessions, fluctuations in currency exchange rates, significant declines in the sale of new vehicles, increases in interest rates, declines in their credit ratings, labour strikes or similar disruptions, supply shortages, rising material costs, rising employee costs, adverse publicity that may reduce consumer demand for their products, product defects, vehicle recalls, litigation, poor product range or vehicle design, or other adverse events. These and other risks could have a material adverse effect on any business or manufacturing partner or supplier and its ability to supply, design, market, produce or distribute new vehicles and parts, which in turn could have a material adverse effect on the business, results of operations, financial condition or prospects of the Group.

Failure of a manufacturing partner could have a material adverse effect on the Group's business, results of operations, financial condition or prospects

The Group relies upon its manufacturing partners and suppliers for a significant proportion of its revenue and profits. Due to global economic events, several manufacturers have come under severe financial pressure. The Group also relies upon other key suppliers and manufacturing partners, some of whom are also facing financial pressure. The failure of a manufacturing partner or supplier could have a material adverse effect on the business, results of operations, financial condition or prospects of the Group.

Termination of franchise agreements by one or more manufacturing partners could have an adverse effect on the Group's business, results of operations, financial condition or prospects

In common with all franchises in the UK, the Group has received notice of termination of its franchise agreement with Citroën and Renault. The Group may not be able to renegotiate this franchise agreement which may have an adverse effect on the Group. Any future terminations of additional franchise agreement in future may also have an adverse effect on the Group's business, results of operations, financial condition or prospects.

Exchange rate fluctuations may adversely affect the Group's earnings

A large proportion of the Group's manufacturing partners or suppliers source parts or manufacture vehicles overseas. The appreciation of the Euro and US Dollar against Sterling in late 2008 and early 2009 has meant that most manufacturing partners and suppliers have had to increase prices. Further appreciation of overseas currencies against Sterling could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

Reduced availability of credit insurance could materially effect the terms on which the Group contracts with its key suppliers

Some of the Group's suppliers have credit insurance in place to safeguard against customer non-payment. In the current economic climate, credit insurers are becoming increasingly risk-averse when providing cover. Where the Group's suppliers are unable or unwilling to obtain credit insurance on acceptable terms they may seek to agree shorter credit periods or discontinue supply which could affect the Group's ability to meet its working capital requirements in the longer term, and have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

RISK RELATING TO ALL SECURITIES TRADED ON AIM

The Ordinary Shares will be traded on AIM rather than the Official List. It may be more difficult for an investor to realise his or her investment in an AIM-traded company than a company whose securities are listed on the Official List. The trading price of the Ordinary Shares may be subject to wide fluctuations in response to a range of events and factors, such as variations in operating results, announcements of technological innovations or new products and services by the Company or its competitors, changes in financial estimates and recommendations by securities analysts, the share price performance of other companies that investors may deem comparable to the Company, the general market perception of automotive-based companies, news reports relating to trends in the Company's markets, legislative changes in the Company's sector and other factors outside of the Company's control. Such events and factors may adversely affect the trading price of the Ordinary Shares, regardless of the performance of the Company. Prospective investors should be aware that the value of the Ordinary Shares could go down as well as up and investors may therefore not recover their original investment especially as the market in the Ordinary Shares may have limited liquidity.

An investment in shares traded on AIM may carry a higher risk than those listed on the Official List.

Share price effect of sales of Ordinary Shares

The market price of Ordinary Shares could decline significantly as a result of any sales of Ordinary Shares by certain Shareholders following the expiry of the relevant lock-in periods, details of which are set out in Parts I and IV of this document, or the expectation or belief that sales of such Ordinary Shares may occur.

Current operating results as an indication of future results

The Company's operating results may fluctuate significantly in the future due to a variety of factors, many of which are outside of its control. Accordingly, investors should not rely on comparisons with the Company's results to date as an indication of future performance. It is possible that, in the future, the Company's operating results will fall below the expectations of securities analysts or investors. If this occurs, the trading price of the Company's Ordinary Shares may decline significantly.

Attraction and retention of key directors and employees

The Company will rely heavily on a small number of key individuals, in particular the current Directors and future executive directors and senior management. The Company's business may be negatively affected by the failure to attract, or the departure of, any of these individuals, or any of a number of other key employees. There can be no guarantee that the Company will be able to continue to attract and retain required employees.

Additional capital requirements

The Company's capital requirements depend on numerous factors, including its ability to maintain and expand its customer base and potential acquisitions. It is difficult for the Directors to predict accurately the timing and amount of the Company's capital requirements. If the plans or assumptions set out in the Company's business plan change or prove to be inaccurate, or if the Company makes any material acquisitions, this may necessitate further financing. Any additional equity financing may be dilutive to the Shareholders, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its anticipated expansion.

Forward looking statements

This document contains forward-looking statements. These relate to the Company's future prospects, developments and strategies. Forward-looking statements are identified by their use of terms and phrases such as ''believe'', ''could'', ''envisage'', ''estimate'', ''intend'', ''may'', ''plan'', ''will'' or the negative of those, variations or comparable expressions, including references to assumptions. These statements are primarily contained in Part I of this document. The forward-looking statements in this document are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements.

PART III

HISTORICAL FINANCIAL INFORMATION ON CAMBRIA

SECTION A – ACCOUNTANTS' REPORT ON THE CONSOLIDATED HISTORICAL FINANCIAL INFORMATION

The following is the full text of a report on the Company from Baker Tilly Corporate Finance LLP, the Reporting Accountants, to the Directors of Cambria.

BAKER TILLY

2 Bloomsbury Street
London WC1B 3ST
www.bakertilly.co.uk

The Directors
Cambria Automobiles plc
Swindon Motor Park
Dorcan Way
Swindon SN3 3RA

30 March 2010

Dear Sirs

CAMBRIA AUTOMOBILES PLC (''the Company'')

We report on the consolidated financial information set out Section B. This consolidated financial information has been prepared for inclusion in the admission document dated 30 March 2010 (''Admission Document'') of the Company on the basis of the accounting policies set out in Section B.

This report is required by paragraph 20.1 of Annex I of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules and is given for the purpose of complying with that paragraph and for no other purpose.

Save for any responsibility arising under paragraph 20.1 of Annex I of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with paragraph 20.1 of Annex I of the Prospectus Rules as applied by part (a) of Schedule Two to the AIM Rules, consenting to its inclusion in the Admission Document.

Responsibilities

As described in Section B the directors of the Company (the ''Directors'') are responsible for preparing the consolidated financial information on the basis of preparation set out in Section B and in accordance with International Financial Reporting Standards as adopted by the European Union except, as described in Section B, that certain accounting conventions, commonly used for the preparation of historical financial information for inclusion in investment circulars, as described in the Annexure to Standard For Investment Reporting 2000 issued by the Auditing Practices Board in the United Kingdom, have been applied.

It is our responsibility to form an opinion as to whether the consolidated financial information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the consolidated financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the consolidated financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the consolidated financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of the Company and its subsidiaries as at the dates stated and of its consolidated profits and losses, cash flows and changes in equity for the periods then ended in accordance with the basis of preparation set out in Section B and in accordance with International Financial Reporting Standards as adopted by the European Union as described therein.

Declaration

For the purposes of part (a) of Schedule Two to the AIM Rules we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

Yours faithfully

Baker Tilly Corporate Finance LLP

Regulated by the Institute of Chartered Accountants in England and Wales

Baker Tilly Corporate Finance LLP is a limited liability partnership registered in England and Wales, registered no. OC325347.
A list of the names of members is open to inspection at the registered office 2 Bloomsbury Street London WC1B 3ST

SECTION B – CONSOLIDATED HISTORICAL FINANCIAL INFORMATION FOR THE THREE PERIODS ENDED 31 AUGUST 2009

Consolidated Statement of Comprehensive Income

	Notes	Year ended 31 August 2009 £'000	Year ended 31 August 2008 £'000	13.5 month period ended 31 August 2007 £'000
Revenue	4	255,466	187,916	26,334
Cost of sales		(212,675)	(160,523)	(21,500)
Gross profit		42,791	27,393	4,834
Other operating income	6	3	2,263	–
Distribution expenses		(24,448)	(13,988)	(1,989)
Transaction costs on business combinations		–	(951)	(701)
Other administrative expenses		(14,975)	(11,046)	(2,045)
Administrative expenses		(14,975)	(11,997)	(2,746)
Operating profit	7	3,371	3,671	99
Finance income	10	41	81	23
Finance expenses	10	(1,370)	(1,605)	(593)
Net financing expense		(1,329)	(1,524)	(570)
Profit/(loss) before tax		2,042	2,147	(471)
Income tax expense	11	(432)	–	–
Profit for the year		1,610	2,147	(471)
Other comprehensive income		–	–	–
Total comprehensive income for the year attributable to the equity holders of the Company		1,610	2,147	(471)

The above results are all from continuing operations.

Consolidated Statement of Changes in Equity

	Notes	Share Capital £'000	Share Premium £'000	Retained earnings £'000	Total equity £'000
Balance at 16 July 2006		–	–	–	–
Loss for the year	25	–	–	(471)	(471)
Other comprehensive income, net of tax:		–	–	–	–
Total comprehensive income for the year		–	–	(471)	(471)
Transactions with equity owners					
Issue of shares	23, 24	183	149	–	332
Balance as at 31 August 2007		183	149	(471)	(139)
Profit for the year	25	–	–	2,147	2,147
Other comprehensive income, net of tax:		–	–	–	–
Total comprehensive income for the year		–	–	2,147	2,147
Transactions with equity owners					
Issue of shares	23, 24	135	10,332	–	10,467
Balance as at 31 August 2008		318	10,481	1,676	12,475
Profit for the year	25	–	–	1,610	1,610
Other comprehensive income, net of tax:		–	–	–	–
Total comprehensive income for the year		–	–	1,610	1,610
Transactions with equity owners		–	–	–	–
Balance at 31 August 2009		318	10,481	3,286	14,085

Consolidated Statement of Financial Position

	Notes	As at 31 August 2009 £'000	As at 31 August 2008 £'000	As at 31 August 2007 £'000
Non-current assets				
Property, plant and equipment	12	21,466	21,760	5,282
Intangible assets	13	478	374	439
		21,944	22,134	5,721
Current assets				
Inventories	16	43,523	41,866	4,252
Trade and other receivables	17	7,200	8,335	875
Cash and cash equivalents	18	5,777	2,443	613
		56,500	52,644	5,740
Total assets		78,444	74,778	11,461
Current liabilities				
Bank overdraft	18	–	–	(123)
Other interest-bearing loans and borrowings	19	(294)	(26)	(82)
Trade and other payables	20	(52,239)	(49,247)	(5,426)
Provisions	22	(452)	(1,598)	–
		(52,985)	(50,871)	(5,631)
Non-current liabilities				
Other interest-bearing loans and borrowings	19	(11,138)	(11,432)	(5,969)
Provisions	22	(236)	–	–
		(11,374)	(11,432)	(5,969)
Total liabilities		(64,359)	(62,303)	(11,600)
Net assets/(liabilities)		14,085	12,475	(139)
Equity attributable to equity holders of the parent				
Share capital	23	318	318	183
Share premium	24	10,481	10,481	149
Retained earnings	25	3,286	1,676	(471)
Total equity		14,085	12,475	(139)

Consolidated Cash Flow Statement

	Notes	Year ended 31 August 2009 £'000	Year ended 31 August 2008 £'000	13.5 month period ended 31 August 2007 £'000
Cash flows from operating activities				
Profit/(loss) for the year		1,610	2,147	(471)
Adjustments for:				
Depreciation, amortisation and impairment		1,192	(1,332)	200
Finance income		(41)	(81)	(23)
Finance expense		1,370	1,605	593
Gain on sale of property, plant and equipment		(3)	–	–
Taxation		432	–	–
		4,560	2,339	299
(Increase)/decrease in trade and other receivables		1,102	(1,095)	(584)
(Increase)/decrease in inventories		(1,657)	(4,339)	(2,009)
(Decrease)/increase in trade and other payables		2,542	12,488	(322)
(Decrease)/increase in provisions		(910)	(902)	–
		5,637	8,491	(2,616)
Interest paid		(821)	(838)	(127)
Tax received		33	–	–
Net cash inflow/(outflow) from operating activities		4,849	7,653	(2,743)
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment		7	45	–
Interest received		41	81	23
Acquisition of subsidiary, net of cash acquired	2	–	(17,355)	(19)
Acquisition of property, plant and equipment		(872)	(3,566)	(5,139)
Acquisition of other intangible assets		(134)	(18)	–
Net cash outflow from investing activities		(958)	(20,813)	(5,135)
Cash flows from financing activities				
Proceeds from the issue of share capital	23	–	10,133	666
Proceeds from new loan		–	7,866	7,950
Interest paid		(533)	(767)	(248)
Repayment of borrowings		(24)	(2,119)	–
Net cash (outflow)/inflow from financing activities		(557)	15,113	8,368
Net increase/(decrease) in cash and cash equivalents		3,334	1,953	490
Cash and cash equivalents at 1 September		2,443	490	–
Cash and cash equivalents at 31 August	18	5,777	2,443	490

Notes to the historical financial information

1. Accounting policies

Cambria is a company incorporated and domiciled in the UK.

The historical financial information consolidates that of the Company and its subsidiaries (together referred to as the ''Group''). The historical financial information is presented in pounds sterling, rounded to the nearest thousand.

The Group's principal activity is the sale and servicing of motor cars and the provision of ancillary services.

The Group's historical financial information has been prepared and approved by the Directors in accordance with International Financial Reporting Standards as endorsed by the EU (''Endorsed IFRSs'').

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in the Group historical financial information.

Judgements made by the Directors in the application of these accounting policies that have significant effect on the historical financial information and estimates with a significant risk of material adjustment in the next year are discussed in note 2.

Basis of preparation

The historical financial information is prepared under the historical cost convention, except for certain financial instruments, and in accordance with Endorsed IFRSs, International Financial Interpretations Committee (''IFRIC'') interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The Group historical financial information has been prepared on a going concern basis as, in the opinion of the Directors, at the time of approving the historical financial information, there is a reasonable expectation that the Group will continue in operational existence in the foreseeable future.

The Group has adopted the following amended IFRS;

IAS 1 (revised) 'Presentation of Financial Statements' introduces the term total comprehensive income, which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. The new statement of comprehensive income may be presented as either a single statement of comprehensive income, which combines the requirements of the existing income statement and statement of recognised income and expense, or in an income statement and separate statement of comprehensive income. As a result the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income. Comparative information has been presented so that it also is in conformity with the revised standard. The revised standard only impacts presentational aspects.

Revised IFRS 3 'Business Combinations' incorporates certain changes that amend the Group's current accounting policies in respect of business combinations, the standard continues to apply the purchase method to all business combinations, but with some changes, the main change being that transaction costs, other than share and debt issue costs, are expensed as incurred. Revised IFRS 3 becomes mandatory for the Group's 2010 financial statements but has been early adopted by the Group and applied to all business combinations as permitted by IFRS 1.

IFRS 8 'Operating Segments' introduces the 'management approach' to segment reporting. This requires the disclosure of segmental information based on the internal reports regularly reviewed by the board in order to assess each segment's performance and allocate resources to them. The Group has early adopted IFRS 8.

The following standards and amendments to existing standards have been published and are mandatory for the Group's 2010 accounting period but the Group has not early adopted them:

Amendments to IFRS 1 and IAS 27 'Cost of an Investment in a Subsidiary, Jointly-Controlled Entity or Associate' becomes mandatory for the Group's 2010 accounting period IAS 27 is applicable to the Company financial statements only so has no effect on the Group historical financial information.

IAS 38 (amendment), ''Intangible Assets''. The amendment is part of the IASB annual improvements project published in April 2009. The amendment clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination and permits the grouping of intangible assets as a single asset if each asset has a similar useful economic life. The amendment will not result in a material impact on the Group's historical financial information.

Basis of consolidation

The historical financial information consolidates the financial information of the Company together with its trading subsidiary companies as detailed in note 14.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. The historical financial information of subsidiaries is included in the consolidated historical financial information from the date that control commences until the date that control ceases.

All business combinations are accounted for by applying the purchase method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially measured at fair value at the acquisition date irrespective of the extent of any minority interest.

The excess of the cost of an acquisition over the fair values of the Group's share of identifiable assets and liabilities acquired is recognised as goodwill. If the fair value of identifiable assets and liabilities acquired (i.e. discount on acquisition) exceeds the cost of the business combination, the difference is recognised directly in income.

Inter-company transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated on consolidation.

Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group's Board of Directors. All revenue from transactions with other operating segements of the same entity have been eliminated.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and VAT.

Sales of motor vehicles, parts and accessories are recognised when the significant risks and rewards of ownership have been transferred to the buyer. In general this occurs when vehicles or parts are delivered to the customer and title has passed. Servicing and bodyshop sales are recognised on completion of the agreed work. The Group provides vehicle leasing, funding, management and consulting solutions. Turnover wholly relates to commissions received from fleet companies in respect of these services and is recognised as earned. Interest income received on rent and bank deposits are recognised as earned.

Deposits received from customers

Deposits received from customers prior to the completion of a sale (delivery of vehicle) are included in the accounts as creditors falling due within one year.

Expenses

Financing income and expenses

Financing expenses comprise interest payable, finance charges on shares classified as liabilities, stocking interest charge on consignment and used vehicles and finance leases. Financing income comprise interest receivable on funds invested.

Borrowing costs are recognised in income in the period in which they are incurred.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in income on the date the entity's right to receive payments is established.

Operating profit

Operating profit relates to profit before finance income, finance expense and income tax expense.

Intangible assets

Goodwill

Goodwill represents the excess between the cost of an acquisition of a subsidiary compared to the net fair value of the identifiable assets, liabilities and contingent liabilities at the date of acquisition. Identifiable intangibles are those which can be sold separately or which arise from legal rights regardless of whether those rights are separable.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units of the acquirer which represent the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Goodwill is not amortised but is tested annually for impairment. Any impairment is recognised immediately in the statement of comprehensive income and is not subsequently reversed.

Negative goodwill arising on an acquisition is recognised immediately in income.

Other intangible assets

Expenditure on internally generated goodwill and brands is recognised in income as an expense as incurred.

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Amortisation is charged to income on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each year end. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Computer software — 3 – 5 years
- Order book — 6 months following date of acquisition
- Customer list — 3 years following date of acquisition

The fair value of customer lists on acquisition have been calculated using discounted cash flows. The fair value of the order book on acquisition has been calculated based on post acquisition margins associated with deposits held at the date of acquisition.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

- buildings 50 years
- plant and machinery 5 to 10 years
- fixtures and fittings 5 to 10 years
- computer equipment 3 to 5 years

Depreciation methods, useful lives, residual values and possible impairments have been reviewed at each year end. As a result of this review, no impairment charge has been deemed necessary for the period.

Impairment excluding inventories and deferred tax assets

The carrying amounts of the Group's assets, are reviewed at each year end to determine whether there is any indication of impairment; a financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. If any such indication exists, the asset's recoverable amount is estimated.

For goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each year end.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in income.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a *pro rata* basis. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The recoverable amount of other assets is the greater of their fair values less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of trade and other receivables carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss in respect of goodwill is not reversed.

In respect of other assets, an impairment loss is reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Inventories

Inventories are stated at the lower of cost and net realisable value. In determining the cost of motor vehicles, the actual amount paid to date for each vehicle is used, for spare parts and service items cost is based on the first-in first-out principle. An appropriate provision is made for obsolete or slow moving items.

New vehicles on consignment from manufacturers are included in the Statement of Financial Position with a corresponding liability in creditors due within one year. This stock is considered to be under the control of the Group as it is considered that the Group bears all the risks and rewards or ownership, even though legal title has not yet passed.

Consignment stock is held for a maximum period (which varies between manufacturers) before becoming due for payment. Part of the consignment period is interest free and the remaining periods are interest bearing (periods varies between manufacturers).

Used motor vehicles are stated at the lower of cost or net realisable value, by reference to Glasses Guide or CAP data.

Financial Instruments

Classification of financial instruments issued by the Group

Financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the group; and

(b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in the historical financial information for called up share capital and share premium account exclude amounts in relation to those shares.

Preference shares

Preference shares with mandatory redemption are classified as liabilities. Dividends on preference shares classified as liabilities are presented within finance costs.

Convertible loan notes

Instruments where the holder has the option to redeem for cash or convert into a pre-determined quantity of equity instruments are classified as compound instruments in the Statement of Financial Position and presented partly as a liability and partly within equity.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. The difference between the proceeds of issue and the fair value assigned to the liability component, representing the embedded option to convert the liability into equity of the Group, is included in equity.

Transaction costs are apportioned between the liability and equity components of the convertible loan notes based on their relative carrying amounts at the date of issue. The portion relating to the equity component is charged directly against equity.

The interest expense on the liability component is calculated by applying the prevailing market interest rate for similar non-convertible debt to the instrument. The difference between this amount and the interest paid is added to the carrying value of the convertible loan note.

Equity instruments

Equity instruments issued by the Company are recorded at fair value on initial recognition net of transaction costs.

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in income except to the extent that it relates to items recognised in other comprehensive income, in which case it is recognised in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in income as incurred.

Leasing

Leases in which the Group assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below.

Operating lease payments

Payments made under operating leases are recognised in the statement of comprehensive income on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense.

Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Provisions

A provision is recognised in the Statement of Financial Position when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

2. Critical accounting judgements in applying the Group's accounting policies

Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

Certain critical accounting judgements in applying the Group's accounting policies are described below:

Goodwill impairment

The carrying value of goodwill is tested annually for impairment by using cash flow projections for each cash generating unit. These projections are based upon planned results for the next five years. An average discount rate of 8.9% is used.

Intangible assets

A third party valuation has been carried out on the intangible assets that are pertinent to the motor business. This included consideration of franchise rights, brand, and other intangible assets. The review concluded that for acquisitions undertaken since 17 July 2006 no intangible assets or rights had been acquired with the exception of the value attaining to the order book and customer lists existing at the point of acquisition on the Swindon acquisition. The value of the goodwill arising on the acquisition of Thoranmart Limited was not considered material so intangibles were not separately reviewed.

Consignment inventories

Consignment vehicles are regarded as being effectively under the control of the Group and are included within inventories in the Statement of Financial Position as the Group has the significant risks and rewards of ownership even though legal title has not yet passed. The corresponding liability is included in trade and other payables.

Deferred tax

Deferred tax assets and liabilities require management judgement in determining the amounts to be recognised. In particular judgement is used when assessing the extent to which deferred tax assets should be recognised with consideration given to the timing and level of future taxable income.

3. Acquisitions of subsidiaries

Effect of acquisitions in the year ended 31 August 2009

There were no acquisitions in the year ended 31 August 2009.

Effect of acquisitions in the year ended 31 August 2008

On 18 January 2008, a Group subsidiary, Thoranmart Limited acquired the trade and assets of 4 dealerships for a consideration of £67,000 (relating to transaction costs written off to income). The fair value of net assets acquired were deemed to be zero. Therefore goodwill arose of £nil. No further disclosures have been made in respect of this acquisition as the Directors consider the amounts to be immaterial.

On 31 December 2007, the Group acquired all of the ordinary shares in Summit Motors Investment (UK) Limited (renamed Cambria Automobiles (South East) Limited post acquisition) for £18 million satisfied in cash. The company was a motor dealership group based in the South East of England. In the 8 months to 31 August 2008 the subsidiary contributed net profit of £446,000 to the consolidated net profit for the year from revenue of £139 million. If the acquisition had occurred on 1 September 2007, it would have contributed a further £71 million to Group revenue and a further £560,000 of net profit. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition occurred on 1 September 2007.

The reason for the acquisition was to expand the Group's representation in the South East of England.

The acquisition had the following effect on the Group's assets and liabilities.

	Pre-acquisition carrying amount £'000	**Fair value adjustments £'000**	**Recognised values on acquisition £'000**
Acquiree's net assets at the acquisition date:			
Property, plant and equipment	9,149	4,584	13,733
Intangible assets	1,258	(1,258)	–
Inventories	33,775	–	33,775
Trade and other receivables	7,289	–	7,289
Cash and cash equivalents	1,158	–	1,158
Trade and other payables	(32,751)	–	(32,751)
Provisions	(2,500)	–	(2,500)
Net identifiable assets and liabilities	17,378	3,326	20,704
Negative goodwill on acquisition			(2,263)
Consideration paid (note that transaction costs of £885,000 have been written off to administrative expenses in income), satisfied in cash			18,441
Cash (acquired)			(1,158)
Net cash outflow			17,283

Negative goodwill has arisen on the acquisition because the businesses acquired were performing poorly under the previous ownership and the purchase price agreed with the vendors reflected this.

Effect of acquisitions in the period ended 31 August 2007

On 17 July 2006, the Group acquired all of the ordinary and preference shares of Cambria Automobiles Limited and Sudbury (Swindon) Limited for a cash receipt of £58,000, satisfied in cash. The companies comprised motor dealerships based in Swindon. In the 13 months to 31 August 2007 the subsidiaries contributed a net profit of approximately £678,000 to the consolidated net loss for the period from revenues of £26 million.

The reason for the acquisition was to establish the Cambria group.

The acquisition had the following effect on the Group's assets and liabilities.

	Pre-acquisition carrying amount £'000	Fair value adjustments £'000	Recognised values on acquisition £'000
Acquiree's net assets at the acquisition date:			
Property, plant and equipment	192	–	192
Intangible assets	–	176	176
Inventories	1,639	–	1,639
Trade and other receivables	111	–	111
Cash and cash equivalents	25	–	25
Trade and other payables	(2,462)	–	(2,462)
Net identifiable assets and liabilities	(495)	176	(319)
Goodwill on acquisition			261
Consideration received (Note that transaction costs of £615,000 have been written off to administrative expenses in income), satisfied in cash			(58)
Cash (acquired)			(25)
Net cash inflow			(83)

Goodwill has arisen on the acquisition because the price paid reflects an established income generating unit.

Goodwill arising is not expected to be deductible for tax purposes.

On 6 August 2007, the Group acquired all of the ordinary shares of Thoranmart Limited for £149,000, satisfied in cash. The company was a motor dealership based in Bury. In the one month to 31 August 2007 the subsidiary contributed net loss of approximately £3,000 to the consolidated net loss for the year from revenue of £420,000. If the acquisition had occurred on 1 September 2006, it would have contributed an additional £7 million in revenue and a further loss of £132,000. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same had the acquisition occurred on 1 September 2006.

The reason for the acquisition was to establish a trading region in the North West of England.

The acquisition had the following effect on the Group's assets and liabilities.

	Pre-acquisition carrying amount £'000	Fair value adjustments £'000	Recognised values on acquisition £'000
Acquiree's net assets at the acquisition date:			
Property, plant and equipment	70	(12)	58
Inventories	604	–	604
Trade and other receivables	180	–	180
Cash and cash equivalents	46	–	46
Trade and other payables	(821)	(2)	(823)
Net identifiable assets and liabilities	79	(14)	65

Goodwill on acquisition	84
Consideration paid (Note that transaction costs of £86,000 have been written off to administrative expenses in the income statement), satisfied in cash	149
Cash (acquired)	(46)
Net cash outflow	103

Goodwill has arisen on the acquisition because the price paid reflects that of an established income generating unit. The acquisition was of a fully functioning business with infrastructure, staff and customer lists.

Goodwill arising is not expected to be deductible for tax purposes.

4. Revenue

	Year ended 31 August 2009 £'000	Year ended 31 August 2008 £'000	13.5 month period ended 31 August 2007 £'000
New vehicle revenue	100,954	86,264	9,428
Used vehicle revenue	118,774	77,911	13,848
Aftersales revenue	35,706	23,733	3,058
Contract hire and support revenue	32	8	–
Total revenues	255,466	187,916	26,334

5. Segmental reporting

The Group has adopted IFRS 8 'Operating Segments'. IFRS 8 provides for segmental information disclosure based on the internal reports regularly reviewed by the board in order to assess each segment's performance and allocate resources to them.

The Group comprises the following main operating segments:

- Swindon – This segment comprises the sale of new and used motor vehicles together with associated aftersales activities of service and parts from dealerships based in Swindon.
- Vehicle Services – This segment comprises contract hire activities.
- North West – This segment comprises the sale of new and used motor vehicles together with associated aftersales activities of service and parts from dealerships based in the North West of England.
- South East – This segment comprises the sale of new and used motor vehicles together with associated aftersales activities of service and parts from dealerships based in the South East of England.
- Central – This segment comprises mainly corporate expenses, loans, and borrowings.

All revenues and assets are derived from the UK.

No difference exists between the profit or loss reported by segment and the overall entity profit or loss.

Year ended 31 August 2009

	Swindon £'000	Vehicle Services £'000	North West £'000	South East £'000	Central £'000	Total £'000
New vehicle revenue	8,086	–	17,737	72,418	–	98,241
Used vehicle revenue	15,959	–	18,265	84,928	–	119,152
Aftersales revenue	2,617	–	5,792	27,710	–	36,119
Contract hire and support	–	32	–	–	–	32
Other	1,489	–	330	103	–	1,922
Revenue from external customers	28,151	32	42,124	185,159	–	255,466
Operating profit/(loss) before depreciation and amortisation	447	(8)	(352)	3,948	528	4,563
Depreciation and amortisation	(54)	–	(86)	(859)	(193)	(1,192)
Operating profit/(loss)	393	(8)	(438)	3,089	335	3,371
Finance income	–	–	–	3	38	41
Finance expense	(107)	–	(193)	(912)	(158)	(1,370)
Profit/(loss) before tax	286	(8)	(631)	2,180	215	2,042
Total assets	5,688	485	11,321	70,203	7,328	95,025
Inter-company elimination	(475)	(236)	(672)	(11,622)	(2,761)	(15,766)
VAT	(290)	–	(92)	(433)	–	(815)
Group assets	4,923	249	10,557	58,148	4,567	78,444
Total liabilities	4,962	648	11,264	51,121	12,945	80,940
Inter-company elimination	(475)	(236)	(672)	(11,622)	(2,761)	(15,766)
VAT	(290)	–	(92)	(433)	–	(815)
Group liabilities	4,197	412	10,500	39,066	10,184	64,359
Net assets/(liabilities)	726	(163)	57	19,082	(5,617)	14,085

Year ended 31 August 2008

	Swindon £'000	Vehicle Services £'000	North West £'000	South East £'000	Central £'000	Total £'000
New vehicle revenue	7,802	–	13,708	63,784	–	85,294
Used vehicle revenue	11,330	–	9,139	57,452	–	77,921
Aftersales revenue	3,456	–	3,356	17,772	–	24,584
Contract hire and support	–	8	–	–	–	8
Other	–	–	(246)	355	–	109
Revenue from external customers	22,588	8	25,957	139,363	–	187,916
Operating profit/(loss) before charging:	513	(153)	500	1,554	876	3,290
Depreciation and amortisation	(50)	–	(30)	(665)	(186)	(931)
Write off of transaction costs	–	–	–	–	(951)	(951)
Negative goodwill	–	–	–	–	2,263	2,263
Operating profit/(loss)	463	(153)	470	889	2,002	3,671
Finance income	21	–	–	68	(8)	81
Finance expense	(211)	(2)	(150)	(603)	(639)	(1,605)
Profit/(loss) before tax	273	(155)	320	354	1,355	2,147
Total assets	4,440	163	8,093	62,450	10,349	85,495
Inter-company debtor elimination	(254)	(154)	–	(4,121)	(6,188)	(10,717)
Group assets	4,186	9	8,093	58,329	4,161	74,778
Total liabilities	4,000	318	7,405	46,236	15,061	73,020
Inter-company debtor elimination	(254)	(154)	–	(4,121)	(6,188)	(10,717)
Group liabilities	3,746	164	7,405	42,115	8,873	62,303
Net assets/(liabilities)	440	(155)	688	16,214	(4,712)	12,475

13.5 month period ended 31 August 2007

	Swindon £'000	Vehicle Services £'000	North West £'000	South East £'000	Central £'000	Total £'000
New vehicle revenue	9,329	–	99	–	–	9,428
Used vehicle revenue	13,609	–	239	–	–	13,848
Aftersales revenue	2,976	–	82	–	–	3,058
Contract hire and support	–	–	–	–	–	–
Revenue from external customers	25,914	–	420	–	–	26,334
Operating profit/(loss) before charging:	858	–	–	–	142	1,000
Depreciation and amortisation	(50)	–	(2)	–	(148)	(200)
Write off of transaction costs	–	–	–	–	(701)	(701)
Operating profit/(loss)	808	–	(2)	–	(707)	99
Other operating income:						
Finance income	11	–	–	–	12	23
Finance expense	(141)	–	(1)	–	(451)	(593)
Profit/(loss) before tax	678	–	(3)	–	(1,146)	(471)
Group assets	3,416	–	1,060	–	6,985	11,461
Group liabilities	(3,435)	–	(990)	–	(7,175)	(11,600)
Net (liabilities)/ assets	(19)	–	70	–	(190)	(139)

6. Other operating income

	Year ended 31 August 2009 £'000	Year ended 31 August 2008 £'000	13.5 month period ended 31 August 2007 £'000
Negative goodwill	–	2,263	–
Net gain on disposal of property, plant and equipment	3	–	–
	3	2,263	–

7. Operating profit

Profit from operations is stated after charging:

	Year ended 31 August 2009 £'000	Year ended 31 August 2008 £'000	13.5 month period ended 31 August 2007 £'000
Amortisation of other intangible assets	29	90	83
Inventories			
– amount charged	207,944	157,198	21,087
– amounts written off	30	49	13
– amounts reversed	(265)	–	(16)
Depreciation			
– owned assets	1,158	838	156
– leased assets	5	3	2
Rentals under operating leases	2,178	1,808	72
Staff costs (see note 9)	21,846	12,290	2,209
Auditors' remuneration for audit services (see note 8)	88	100	32
Impairment losses (see note 27)	205	280	3
Impairment losses reversed (see note 27)	(150)	–	–

During the year ended 31 August 2009 the Group impaired £205,000 (2008: £280,000, 2007: £3,000) financial assets classified as loans and receivables. Further details are provided in note 27.

The following table analyses the nature of expenses:

	Year ended 31 August 2009 £'000	Year ended 31 August 2008 £'000	13.5 month period ended 31 August 2007 £'000
Staff costs (see note 9)	21,846	12,290	2,209
Depreciation, amortisation and impairments	1,192	931	200
Change in inventory (note 16)	207,944	157,198	21,087
Premises costs	4,565	3,739	618
Transport costs	2,571	1,861	134
Marketing expenses	2,322	1,321	208
Professional fees (excluding audit fees)	147	74	16
Computer expenses	1,073	1,236	–
Other expenses	10,438	7,858	1,763
Total cost of sales, distribution costs, administrative expenses	252,098	186,508	26,235

8. Auditors' remuneration

	Year ended 31 August 2009 £'000	Year ended 31 August 2008 £'000	13.5 month period ended 31 August 2007 £'000
Audit of these financial statements	10	10	3
Audit of financial statements of subsidiaries pursuant to legislation	78	90	28
Other services relating to taxation	24	25	13
Services relating to corporate finance transactions entered into or proposed to be entered into by or on behalf of the Company or the Group*	–	100	299
All other services	–	8	–

* additional services relating to the acquisition of Summit Motors Investment (UK) Limited were provided by KPMG LLP, the amount paid for these services was £100,000, and is included within the investment cost and consequently goodwill calculation.

9. Staff numbers and costs

The average number of persons employed by the Group (including Directors) during the year, analysed by category,

	Number of employees		
	Year ended 31 August 2009 £'000	Year ended 31 August 2008 £'000	13.5 month period ended 31 August 2007 £'000
Sales	217	212	20
Service	311	313	31
Parts	98	103	7
Administration	132	120	16
	758	748	74

The aggregate payroll costs of these persons were as follows:

	£'000	£'000	£'000
Wages and salaries	19,598	10,762	2,003
Social security costs	2,087	1,390	197
Expenses related to defined contribution plans	161	138	9
	21,846	12,290	2,209

10. Finance income and expense

	Year ended 31 August 2009 £'000	Year ended 31 August 2008 £'000	13.5 month period ended 31 August 2007 £'000
Finance income			
Rent deposit interest	2	–	–
Interest receivable on bank deposits	39	81	23
Total finance income	41	81	23
Finance expense			
Interest payable on loan notes	–	63	218
Interest payable on bank borrowings	549	704	–
Finance costs on shares classified as liabilities	–	–	20
All other loans	–	–	228
Consignment and used stocking interest	821	838	127
Total finance expense	1,370	1,605	593

11. Taxation

Recognised in the income statement

	Year ended 31 August 2009 £'000	Year ended 31 August 2008 £'000	13.5 month period ended 31 August 2007 £'000
Current tax expense			
Current year	–	–	–
Tax payment due to previous owners of subsidiary in relation to utilisation of pre-acquisition losses	432	–	–
Current tax expense	432	–	–
Deferred tax expense			
Origination and reversal of temporary differences	–	–	–
Deferred tax expense	–	–	–
Tax expense in income	432	–	–

Reconciliation of total tax

	Year ended 31 August 2009 £'000	Year ended 31 August 2008 £'000	13.5 month period ended 31 August 2007 £'000
Profit/(loss) for the year	1,610	2,147	(471)
Total tax expense	432	–	–
Profit/(loss) excluding taxation	2,042	2,147	(471)
Tax using the UK corporation tax rate of 28% (2008: 28%, 2007: 30%)	572	601	(141)
Difference in effective tax rate			
Reduction in tax rate	–	(39)	–
Non-deductible expenses	–	368	242
Tax exempt income	(30)	(986)	–
Accounting deprecation for which no tax relief is due	–	577	39
Utilisation of tax losses	(542)	(36)	(140)
Current year losses for which no deferred tax asset was recognised	–	(485)	–
Tax payment due in relation to utilisation of pre-acquisition losses	432	–	–
Total tax expense	432	–	–

12. Property, plant and equipment

	Land & buildings £'000	Plant & equipment £'000	Fixtures, fittings & computer equipment £'000	Total £'000
Cost				
Balance at 18 July 2006	–	–	–	–
Acquisitions through business combinations	–	275	371	646
Other acquisitions	5,125	812	448	6,385
Balance at 31 August 2007	5,125	1,087	819	7,031
Balance at 1 August 2007	5,125	1,087	819	7,031
Acquisitions through business combinations	14,566	7,655	–	22,221
Other acquisitions	3,546	56	41	3,643
Disposals	(239)	(757)	(264)	(1,260)
Balance at 31 August 2008	22,998	8,041	596	31,635
Balance at 1 August 2008	22,998	8,041	596	31,635
Other acquisitions	320	92	461	873
Disposals	–	(34)	(2)	(36)
Transfer	–	(5,274)	5,274	–
Balance at 31 August 2009	23,318	2,825	6,329	32,472
Depreciation and impairment				
Balance at 18 July 2006	–	–	–	–
Depreciation charge for the year	106	23	29	158
Acquisitions through business combinations	–	898	693	1,591
Balance at 31 August 2007	106	921	722	1,749
Balance at 31 August 2007	106	921	722	1,749
Depreciation charge for the year	285	528	28	841
Acquisitions through business combinations	3,092	5,408	–	8,500
Disposals	(237)	(714)	(264)	(1,215)
Balance at 31 August 2008	3,246	6,143	486	9,875
Balance at 31 August 2008	3,246	6,143	486	9,875
Depreciation charge for the year	438	254	471	1,163
Disposals	–	(32)	–	(32)
Transfer	–	(4,006)	4,006	–
Balance at 31 August 2009	3,684	2,359	4,963	11,006
Net book value				
At 31 August 2007	5,019	166	97	5,282
Net book value				
At 31 August 2008	19,752	1,898	110	21,760
At 31 August 2009	19,634	466	1,366	21,466

Leased plant and machinery

At 31 August 2009 the net carrying amount of leased plant and machinery was £nil *(2008: £nil, 2007: £8,000)*.

Security

The title of all land and buildings, other than Oldham and Preston have been pledged as security to the bank loans disclosed in note 18.

Property, plant and equipment under construction

At 31 August 2009 there were no assets in the course of construction (2008: £nil, 2007: £nil).

13. Intangible assets

	Goodwill £'000	Software £'000	Other £'000	Total £'000
Cost				
Balance at 18 July 2006	–	–	–	–
Acquisitions through business combinations	346	–	176	522
Balance at 31 August 2007	346	–	176	522
Balance at 1 September 2007	346	–	176	522
Acquisitions through business combinations	–	7	–	7
Other acquisitions – externally purchased	–	18	–	18
Balance at 31 August 2008	346	25	176	547
Balance at 1 September 2008	346	25	176	547
Other acquisitions – externally purchased	–	133	–	133
Balance at 31 August 2009	346	158	176	680
Amortisation and impairment				
Balance at 18 July 2006	–	–	–	-
Amortisation for the year	–	–	83	83
Balance at 31 August 2007	–	–	83	83
Balance at 1 September 2007	–	–	83	83
Amortisation for the year	–	12	78	90
Balance at 31 August 2008	–	12	161	173
Balance at 1 September 2008	–	12	161	173
Amortisation for the year	–	14	15	29
Balance at 31 August 2009	–	26	176	202
At 31 August 2007	346	–	93	439
At 31 August 2008	346	13	15	374
At 31 August 2009	346	132	–	478

Amortisation and impairment charge

The amortisation and impairment charge is recognised in the following line items in income:

	Year ended 31 August 2009 £'000	Year ended 31 August 2008 £'000	13.5 month period ended 31 August 2007 £'000
Administrative expenses	29	90	83

Impairment loss and subsequent reversal

Goodwill and indefinite life intangible assets considered significant in comparison to the Group's total carrying amount of such assets have been allocated to cash generating units or groups of cash generating units as follows:

	Goodwill		
	As at 31 August 2009 £'000	**As at 31 August 2008 £'000**	**As at 31 August 2007 £'000**
Swindon	261	261	261
North West	85	85	85
	346	346	346

The recoverable amount of each CGU has been calculated with reference to its value in use. The key assumptions of this calculation are shown below:

	As at 31 August 2009	**As at 31 August 2008**	**As at 31 August 2007**
Period on which management approved forecasts are based	5	5	5
Growth rate applied beyond approved forecast period	0%	0%	0%
Pre-tax discount rate	2.1%	4.9%	8.9%

The value in use exceeds the above carrying values for each CGU, therefore no impairment is considered necessary.

The pre-tax discount rate used is that which the Group considers to be the approximate weighted average cost of capital for the Group. The discount rate used reflects the best estimate by the Directors of the rate reflective of the risks specific to all cash generating units. Future cashflows were projected over a five year period based on the current business plan as approved by the Directors which was prepared based on detailed plans prepare for each CGU. The Directors consider that a reasonably possible change in the discount rate applied would not result in the carrying amount being less than the recoverable amount for each CGU.

14. Subsidiary undertakings

The undertakings included in the consolidated Group historical financial information are as follows:

* Owned directly by Cambria Automobiles Acquisitions Limited
** Owned directly by Cambria Automobiles Group Limited
*** Owned directly by Cambria Automobiles (South East) Limited

Subsidiary undertakings	Country of incorporation	Principal activity	Class and percentage of shares held
Cambria Automobiles Group Limited	England and Wales	Holding Company	100% Ordinary
Cambria Automobiles Acquisitions Limited**	England and Wales	Investment Company	100% Ordinary
Cambria Automobiles Properties Limited**	England and Wales	Property Company	100% Ordinary
Cambria Automobiles Limited*	England and Wales	Motor retailer	100% Ordinary & Preference
Grange Motors (Swindon) Limited* formerly Sudbury (Swindon) Limited	England and Wales	Motor retailer	100% Ordinary
Thoranmart Limited*	England and Wales	Motor retailer	100% Ordinary
Cambria Vehicle Services Limited*	England and Wales	Contract Hire and leasing	100% Ordinary
Cambria Automobiles (South East) Limited*	England and Wales	Motor retailer	100% Ordinary
Grange Motors (Brentwood) Limited***	England and Wales	Motor retailer	100% Ordinary
Invicta Motors Limited***	England and Wales	Motor retailer	100% Ordinary & Preference
Deeslease Limited	England and Wales	Dormant	100% Ordinary
Dove Group Limited	England and Wales	Dormant	100% Ordinary
Translease Vehicle Management Limited	England and Wales	Dormant	100% Ordinary

15. Deferred tax assets and liabilities

Unrecognised deferred tax assets and liabilities

The amount of temporary differences, unused tax losses and tax credits for which no deferred tax asset is recognised is set out below. The asset would be recovered if offset against future taxable profits of the Group. Utilisation of pre acquisition losses would give rise to a liability to the previous owners of the company acquired.

	Assets		
	As at 31 August 2009 £'000	As at 31 August 2008 £'000	As at 31 August 2007 £'000
Property, plant and equipment	(450)	(458)	6
Intangible assets	–	(4)	(26)
Provisions	176	16	–
Tax value of loss carry-forwards	1,294	1,212	84
Tax assets	1,020	766	64
Net of tax liabilities	–	–	–
Unrecognised net tax assets	1,020	766	64

16. Inventories

	As at 31 August 2009 £'000	As at 31 August 2008 £'000	As at 31 August 2007 £'000
Consignment stock	24,090	23,080	1,197
Motor vehicles	17,879	16,953	2,935
Spare parts	1,554	1,833	120
	43,523	41,866	4,252

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. Costs incurred in bringing each product to its present location and condition are included and cost is based on price including delivery costs less trade discounts. Net realisable value is based on estimated selling price less further costs to be incurred to disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

Included within inventories is £nil(2008: £nil, 2007: £nil) expected to be recovered in more than 12 months.

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to £208 million (2008: £157 million, 2007: £21 million). The write-down of inventories to net realisable value amounted to £30,000 (2008: £49,000 2007: £13,000). The reversal of write-downs amounted to £265,000 as discussed below (2008: £nil 2007: £15,000). The write-down and reversal are included in cost of sales.

The reversal of the write-down on parts stock occurred because stock previously written down was subsequently sold.

17. Trade and other receivables

	As at 31 August 2009 £'000	As at 31 August 2008 £'000	As at 31 August 2007 £'000
Trade receivables	5,824	5,902	694
Less impairments	(396)	(282)	(3)
Trade receivables (net)	5,428	5,620	691
Prepayments	1,523	2,007	184
Other receivables	249	708	–
	7,200	8,335	875

Included within trade and other receivables is £nil (2008: £nil, 2007: £nil) expected to be recovered in more than 12 months.

The average credit period taken is 30 days. No interest is charged on overdue trade receivables. The Group expensed £205,216 as impairment on trade receivables on average over 60 days past their due date. The ageing of trade receivables is detailed in note 27. The directors consider that the carrying amount of trade and other receivables approximates their fair value.

18. Cash and cash equivalents/bank overdrafts

	As at 31 August 2009 £'000	As at 31 August 2008 £'000	As at 31 August 2007 £'000
Cash and cash equivalents in the statement of financial position	5,777	2,443	613
Bank overdrafts	–	–	(123)
Cash and cash equivalents per cash flow statement	5,777	2,443	490

19. Other interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate risk, see note 27.

	As at 31 August 2009 £'000	As at 31 August 2008 £'000	As at 31 August 2007 £'000
Non-current liabilities			
Secured bank loans	11,138	11,432	3,590
Finance lease liabilities	–	–	2
Shares classified as debt	–	–	334
Loan notes	–	–	2,043
	11,138	11,432	5,969
Current liabilities			
Secured bank loans	294	24	–
Finance lease liabilities	–	2	6
Loan notes	–	–	76
	294	26	82

Terms and debt repayment schedule

All debt is in GBP currency

	Nominal interest rate	Year of Maturity	As at 31 August 2009 £'000	As at 31 August 2008	As at 31 August 2007 £'000
Loan 31/07/06	Base +1.25%	2019	2,841	2,865	2,865
Loan 01/08/07	Base +1.25%	2020	725	725	725
Loan 31/12/2007	LIBOR +1.75%	2020	7,866	7,866	–
Shares classified as debt	7%	2021	–	–	334
Loan notes	8.915%	2011	–	–	2,119
			11,432	11,456	6,043

Finance lease liabilities

Finance lease liabilities at 31 August 2007 and 2008 are not considered material so no disclosure has been provided.

There were no finance lease liabilities at 31 August 2009.

20. Trade and other payables

	As at 31 August 2009 £'000	As at 31 August 2008 £'000	As at 31 August 2007 £'000
Consignment creditor	27,303	27,077	1,197
Other trade payables	8,263	9,342	2,656
Non-trade payables and accrued expenses	6,966	4,578	335
Other taxation and social security	606	267	196
Vehicle funding	9,101	7,983	1,042
	52,239	49,247	5,426

Included within trade and other payables is £nil (2008 : £nil, 2007 : £nil) expected to be settled in more than 12 months.

21. Employee benefits

Defined contribution plans

The Group operates a number of defined contribution pension plans.

The total expense relating to these plans in the current year was £161,000 (2008: £138,000, 2007: £9,000).

22. Provisions

Restructuring provision	Onerous leases/ contracts £'000	Staff costs £'000	Property costs £'000	IT £'000	Total £'000
Balance on incorporation and at 31 August 2007	–	–	–	–	–
Amounts arising from acquisition	418	1,542	300	240	2,500
Provisions used during the year	(100)	(743)	(52)	(7)	(902)
Balance at 31 August 2008	318	799	248	233	1,598
Balance at 1 September 2008	318	799	248	233	1,598
Provisions used during the year	(82)	(455)	(248)	(125)	(910)
Balance at 31 August 2009	236	344	–	108	688
Current	318	799	248	233	1,598
Non current	–	–	–	–	–
Balance at 31 August 2008	318	799	248	233	1,598
Current	–	344	–	108	452
Non current	236	–	–	–	236
Balance at 31 August 2009	236	344	–	108	688

The onerous lease provision is being released against the costs incurred on the relevant lease. The provision will be fully released by 2015. All other provisions are expected to be utilised by 31 August 2010.

The staff costs provision is for a buy-out of company car and fuel benefits. The IT provision is in respect of a contractual dispute with a supplier.

23. Share capital

	As at 31 August 2009 £'000	As at 31 August 2008 £'000	As at 31 August 2007 £'000
Authorised			
'A' Ordinary shares of 10 pence each	17	17	17
'B' Ordinary shares of £1 each	166	166	166
'C' Ordinary shares of 1 pence each	135	135	–
'D' Ordinary shares of 1 pence each	–	–	–
'E' Ordinary shares of 1 pence each	–	–	–
7% cumulative redeemable preference shares of 10 pence each	–	–	33
	318	318	216
Allotted, called up and fully paid			
'A' Ordinary shares of 10 pence each	17	17	17
'B' Ordinary shares of £1 each	166	166	166
'C' Ordinary shares of 1 pence each	135	135	–
'D' Ordinary shares of 1 pence each	–	–	–
'E' Ordinary shares of 1 pence each	–	–	–
7% cumulative redeemable preference shares of 10 pence each	–	–	33
	318	318	216
Shares classified as liabilities	–	–	33
Shares classified in shareholders funds	318	318	183
	318	318	216

The holders of ordinary A and B shares are entitled to one vote per share at meetings of the Company. None of these shareholders have entitlements to dividends.

	7% cumulative redeemable preference shares of 10 pence each		
In thousands of shares	**2009**	2008	2007
On issue at 1 September	–	334	–
Issued for cash at a premium of 90 pence per share	–	–	334
Converted to 3,340,000 'C' Ordinary 1 pence shares at a premium of 9 pence per share	–	(334)	–
On issue at 31 August – fully paid	–	–	334

23 Share capital (continued)

In thousands of shares	'A' Ordinary shares of 10 pence each 2009	2008	2007
On issue at 1 September	166	166	–
Issued for cash at premium of 90 pence per share	–	–	166
On issue at 31 August – fully paid	166	166	166

In thousands of shares	'B' Ordinary shares of £1 each 2009	2008	2007
On issue at 1 September	166	166	–
Issued for cash at par	–	–	166
On issue at 31 August – fully paid	166	166	166

In thousands of shares	'C' Ordinary shares of 1 pence each 2009	2008	2007
On issue at 1 September	13,473	–	–
Issued for cash at premium of 99 pence per share	–	10,133	–
Converted from 7% cumulative redeemable preference shares	–	3,340	–
On issue at 31 August – fully paid	13,473	13,473	–

In thousands of shares	'D' Ordinary shares of 1 pence each 2009	2008	2007
On issue at 1 September	39	–	–
Issued for cash at par	–	39	–
On issue at 31 August – fully paid	39	39	–

In thousands of shares	'E' Ordinary shares of 1 pence each 2009	2008	2007
On issue at 1 September	9	–	–
Issued for cash at par	–	9	–
On issue at 31 August – fully paid	9	9	–

24. Share premium

	As at 31 August 2009 £'000	As at 31 August 2008 £'000	As at 31 August 2007 £'000
Balance at the beginning of the period	10,481	149	–
Premium issued on shares	–	10,332	149
Balance as at the year end	10,481	10,481	149

The share premium is the excess of consideration received for shares issued above their nominal value.

25. Retained earnings

	As at 31 August 2009 £'000	As at 31 August 2008 £'000	As at 31 August 2007 £'000
Balance at the beginning of the period	1,676	(471)	–
Total comprehensive income	1,610	2,147	(471)
Balance as at the year end	3,286	1,676	(471)

26. Financial instruments recognised in the Statement of Financial Position

The Group has the following categories of financial assets and financial liabilities

	As at 31 August 2009 £'000	As at 31 August 2008 £'000	As at 31 August 2007 £'000
Financial assets			
Loans and receivables at amortised cost including cash and cash equivalents			
Trade receivables (net) (note 17)	5,428	5,620	691
Other receivables (note 17)	249	708	–
Cash and cash equivalents	5,777	2,443	613
Total financial assets	11,454	8,771	1,304
Financial liabilities			
Financial liabilities at amortised cost			
Bank overdraft	–	–	123
Other interest-bearing loans and borrowings (note 19)	11,432	11,458	6,051
Trade and other payables	51,633	48,980	5,230
Total financial liabilities	63,065	60,438	11,404

The Directors consider the carrying amount of the Group's financial assets and financial liabilities, as detailed above, approximate their fair value.

27. Financial risk management

The Group's activities expose it to financial risks including credit risk, liquidity risk, and market risk.

- Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.
- Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.
- Market risk is the risk that changes in market prices, such as interest rates, have on the Group's financial performance.

Credit risk management

The Group is exposed to credit risk primarily in respect of its trade receivables and financial assets. Trade receivables are stated net of provision for estimated impairment losses. Exposure to credit risk in respect of trade receivables is mitigated by the Group's policy of only granting credit to certain customers after an appropriate evaluation of risk coupled with the findings from external reference agencies. Credit risk arises in respect of amounts due from vehicle manufacturers in relation to bonuses and warranty receivables. This risk is mitigated by the number of manufacturers for which the Group holds franchises, procedures to ensure timely collection of debts and management's belief that it does not expect any manufacturer to fail to meet its obligations. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Exposure to credit risk

The Directors consider the maximum exposure to credit risk as at 31 August 2009 to be £5,428,000 (2008: £5,620,000, 2007: £691,000) being the total of the carrying amount of trade and receivables, shown in the table below.

The maximum exposure to credit risk for net trade receivables by geographic region was:

	As at 31 August 2009 £'000	**As at 31 August 2008 £'000**	**As at 31 August 2007 £'000**
Swindon	242	288	403
North West	1,182	1,664	224
South East	3,748	3,238	–
Central	256	430	64
	5,428	5,620	691

The maximum exposure to credit risk for net trade receivables by type of counterparty was:

	As at 31 August 2009 £'000	**As at 31 August 2008 £'000**	**As at 31 August 2007 £'000**
Vehicles	3,247	2,110	402
Aftersales	1,699	2,974	235
Factory	482	536	54
	5,428	5,620	691

Credit quality of trade receivables and impairment losses
The ageing of trade receivables as at 31 August 2009 was:

	Gross 2009 £'000	**Impairment 2009 £'000**	**Gross 2008 £'000**	**Impairment 2008 £'000**	**Gross 2007 £'000**	**Impairment 2007 £'000**
Not past due	4,668	21	4,838	–	586	–
Past due 0-30 days	974	193	759	19	105	–
Past due 31-120 days	182	182	211	170	2	2
More than 120 days	–	–	94	94	1	1
	5,824	396	5,902	283	694	3

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	£'000
Balance at 1 September 2007	3
Impairment loss recognised	280
Impairment loss reversed	–
Balance at 31 August 2008	283
Impairment loss recognised	205
Impairment loss reversed	(150)
Balance at 31 August 2009	338

The allowance account for trade receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amounts considered irrecoverable are written off against the trade receivables directly.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Liquidity is managed by the Group's central treasury function within policy guidelines set by the Board with prime areas of focus being liquidity and interest rate exposure. The Group is financed primarily by bank loans, vehicle stocking credit lines and operating cash flow. The Directors have assessed the future funding requirements of the Group and compared them to the level of committed available borrowing facilities. These committed facilities are maintained at levels in excess of planned requirements and are in addition to short tem uncommitted facilities that are also available to the Group. The assessment included a review of financial forecasts, financial instruments and cash flow projections. These forecasts and projections show that the Group, taking account of reasonably possible scenarios, should be able to operate within the level of its borrowing facilities for the foreseeable future.

Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the effect of netting agreements: Interest is payable on loans of £3,590,000 at bank base rate plus 1.25% and on loans of £7,866,000 at LIBOR plus 1.75%

		2009				
	Carrying amount £'000	Con-tractual cash flows £'000	1 year or less £'000	1 to 2 years £'000	2 to 5 years £'000	5 years and over £'000
Non-derivative financial liabilities						
Secured bank loans	11,432	12,831	590	1,105	3,814	7,322
	11,432	12,831	590	1,105	3,814	7,332

		2008				
	Carrying amount £'000	Con-tractual cash flows £'000	1 year or less £'000	1 to 2 years £'000	2 to 5 years £'000	5 years and over £'000
Non-derivative financial liabilities						
Secured bank loans	11,456	15,331	595	913	4,589	9,324
Bank overdrafts	–	–	–	–	–	–
Loan notes	–	–	–	–	–	–
	11,456	15,331	595	913	4,589	9,324

		2007				
	Carrying amount £'000	Con-tractual cash flows £'000	1 year or less £'000	1 to 2 years £'000	2 to 5 years £'000	5 years and over £'000
Non-derivative financial liabilities						
Secured bank loans	3,590	5,339	251	281	1,715	3,092
Bank overdrafts	123	123	–	–	–	–
Loan notes	2,119	2,694	247	300	2,147	–
	5,832	8,156	621	581	3,862	3,092

Market risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Group's income.

Interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments was:

	As at 31 August 2009 £'000	**As at 31 August 2008 £'000**	**As at 31 August 2007 £'000**
Fixed rate instruments			
Loan notes	–	–	(2,119)
Preference shares	–	–	(33)
	–	–	(2,152)
Variable rate instruments			
Cash and cash equivalents	5,777	2,443	613
Vehicle funding	(9,101)	(7,983)	(1,042)
Loans and overdrafts	(11,432)	(11,456)	(3,713)
	(14,756)	(16,996)	(4,142)

The objective of the Group's interest rate policy is to minimise interest costs. The Group does not actively manage cash flow interest risk as the Directors believe that the retail sector in which the Group operates provides a natural hedge against interest rate movements. Consequently, it is Group policy to borrow on a floating rate basis.

Whilst there are no hedging instruments, the Board reviews its hedging policy on a regular basis.

Sensitivity analysis

A change of 0.5 basis points in interest rates as at 31 August 2009 would have increased (decreased) equity and profit or loss by the amounts shown below. This calculation assumes that the change occurred at the year end and had been applied to risk exposures existing at that date.

This analysis assumes that all other variables, remain constant and considers the effect of financial instruments with variable interest rates. The analysis is performed on the same basis for comparative periods.

	As at 31 August 2009 £'000	**As at 31 August 2008 £'000**	**As at 31 August 2007 £'000**
Equity			
Decrease	646	146	48
Profit or loss			
Decrease	646	146	48

Capital management

Prior to each acquisition, the Board considers its funding options and the appropriate mix of secured debt and equity.

The Group's primary objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits to other stakeholders. The Group must ensure that sufficient capital resources are available for working capital requirements and meeting principal and interest payment obligations as they fall due.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio, which is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as total shareholders' equity.

The gearing ratios for 3 years are as follows:

	As at 31 August 2009 £'000	As at 31 August 2008 £'000	As at 31 August 2007 £'000
Total borrowings	11,432	11,456	5,832
Less: cash and cash equivalents	(5,777)	(2,443)	(613)
Net debt	5,655	9,013	5,219
Total equity	14,085	12,475	(139)
Gearing ratio	40%	72%	–

28. Operating leases

Non-cancellable operating lease rentals are payable as follows:

	As at 31 August 2009 £'000	As at 31 August 2008 £'000	As at 31 August 2007 £'000
Less than one year	2,105	1,890	72
Between one and five years	8,421	7,561	288
More than five years	22,653	20,631	8,004
	33,179	30,082	8,364

The Group leases a number of motor dealership sites under operating leases. Land and buildings have been considered separately for lease classification.

During the year £2,178,000 was recognised as an expense in income in respect of operating leases (2008: £1,808,000, 2007: £72,000).

29. Contingencies

In recognition of the Cambria Group bank and used vehicle funding facilities, the following companies have entered into a joint agreement to guarantee liabilities with banks and finance houses of the motor manufacturers that provide new and used vehicles to the Group:

Cambria, Cambria Automobiles Properties Limited, Cambria Automobiles Group Limited, Cambria Automobiles Acquisitions Limited, Cambria Automobiles Limited, Grange Motors (Swindon) Limited, Thoranmart Limited, Cambria Automobiles (South East) Limited, Grange Motors (Brentwood) Limited and Invicta Motors Limited.

Intra-group guarantees are accounted for as insurance contracts.

30. Related parties

Identity of related parties with which the Group has transacted

Key management personnel are considered to be for the Board of Directors for the purposes of this disclosure.

Transactions with key management personnel

Directors of the Company and their immediate relatives control 100% per cent of the voting shares of the Company by virtue of both personal holdings and Promethean's directors representation on the board.

The compensation of key management personnel is as follows:

	As at 31 August 2009 £'000	As at 31 August 2008 £'000	As at 31 August 2007 £'000
Key management emoluments including social security costs	758	495	157
	758	495	157

The emoluments of the highest paid Director were £226,000.

All Directors benefited from qualifying third party indemnity provisions during the financial period.

At the year end Mark Lavery and James Mullins had received the benefit of loans from the Company. The outstanding amount due from Mark Lavery was £119,000 and was repaid in full on 14 September 2009. The outstanding amount due from James Mullins was £34,000 and was repaid in full on 1 November 2009. Both of the loans had interest at 4.75% per annum paid on a monthly basis whilst outstanding.

During the year both Mark Lavery and James Mullins each bought 2 vehicles from the Company and each sold 1 vehicle back to the Company, Rodney Smith bought 1 vehicle from the Company. All transactions were conducted at arms length.

Other related party transactions

The Company is owned by Mark Lavery and Promethean Investments. During the year ended 31 August 2009 the Company paid £15,000 (2008: £15,000, 2007: £15,000) in management fees to Promethean Investments.

31. Events after the reporting period

Effect of acquisitions post 31 August 2009

On 31 October 2009, a Group subsidiary, Cambria Vehicle Services Limited acquired the trade and assets of three Triumph motorcycle and one Mazda car dealerships for a consideration of £368,580 satisfied in cash. The dealerships are located in Northamptonshire and Birmingham and were acquired as a first representation for the Group for motorcycles and the Mazda franchise, also being located between the Group's South East and North West hubs of operation.

On 23 December 2009, a Group subsidiary, Thoranmart Limited, acquired certain assets of a Mazda and Fiat dealership located in Bolton for a consideration of £22,500 satisfied in cash. The reason for the acquisition was to further the Group's Mazda and Fiat representation in the North West of England.

On 25 February 2010, a Group subsidiary, Cambria Automobiles Acquisitions Limited, acquired all the ordinary shares of D&F Trading Limited (renamed Invicta Motors (Maidstone) Limited post acquisition) for £1,239,892 satisfied in cash. Two freehold properties were also acquired by Cambria Automobiles Property Limited for a consideration of £3,550,000 also paid in cash. The reason for the acquisition was to expand the Group's operations in Kent with Mazda and Honda franchises.

No further disclosures have been made in respect of these acquisitions as the Directors consider the amounts to be immaterial.

Share reorganisation

On 26 March 2010, the Company passed a written resolution (conditional on Admission) pursuant to which all of the share capital classes were converted into one class of ordinary shares, all of which rank *pari passu*. Futher details are given in paragraph 4.1 of Part IV of this document.

SECTION C – FINANCIAL INFORMATION ON CAMBRIA AUTOMOBILES (SOUTH EAST) LIMITED

Set out below are the audited consolidated financial statements of Cambria Automobiles (South East) Limited for the year ended 31 December 2007 with comparative prepared under UK GAAP.

As noted previously, Cambria Automobiles (South East) Limited was acquired by Cambria on 31 December 2007 and the historical financial information in Section B includes the results of this entity from that date.

No separate three year history for Cambria Automobiles (South East) Limited has been shown as the Directors consider that material strategic and management changes result in the financial information not being comparative year on year and misleading inferences could be drawn. Nonetheless, as Cambria Automobiles (South East) Limited was a material acquisition the audited financial statements for the year ended 31 December 2007 are considered to be relevant information that potential investors would require and are appended below.

Cambria Automobiles (South East) Limited
(formerly Summit Motors Investment (UK) Limited)

Directors' report and financial statements

Registered number 02953829

31 December 2007

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COMPANY INFORMATION

Directors	M J J Lavery J A Mullins	
Auditors	KPMG LLP Arlington Business Park Reading Berkshire RG7 4SD	
Bankers	National Westminster Bank Plc 40 Whitgift Centre Croydon Surrey CR9 3QB	Bank of Scotland plc PO Box 54873 London SW1Y 5WX
Registered office	Dorcan Way Swindon SN3 3RA	
Registered number	29553829	

DIRECTORS' REPORT

The directors submit their annual report and audited financial statements for the year ended 31 December 2007.

Principal activities

The principal activity of the group during the year continued to be the business of motor vehicle dealers, engineers, parts stockists and general activities connected with the distributive motor trade including leasing and contract hire.

The group profit and loss account for the year ended 31 December 2007 is set out in page 73.

The directors do not recommend the payment of a dividend *(2006: £nil)*.

Business review

During the year the shareholder decided that it wished to exit the UK motor retail market and the directors were instructed to engage professional advisors in order that a managed sales process of the shares of Summit Motors Investments (UK) Limited could be completed. The directors began the sales process in June 2007 and targeted a limited number of potential acquirers. On 31 December 2007 Sumitomo Corporation sold its shares in Sumitomo Motors Investments (UK) Limited to Cambria Automobiles Acquisitions Limited (wholly owned subsidiary of Cambria Automobiles Holdings Limited). On completion the company name was changed from Summit Motors Investments (UK) Limited to Cambria Automobiles (South East) Limited.

Prior to completion of the sale, the Invicta Motors defined benefit pension scheme was transferred out of the group into a special purpose vehicle that was underwritten by Sumitomo Corporation, Japan. Sumitomo Corporation also, prior to completion, forgave the £19m loan to Summit Motors Investment (UK) Limited. This has been reflected through the statement of total recognised gains and losses.

On 31 December 2007, the former directors, namely Mr B Haga and Mr S Ogawa, resigned their positions as directors and were replaced by Mark Lavery and James Mullins, both of whom are directors of Cambria Automobiles Holdings Limited.

During the trading year, the directors recognised that the poor trading performance of the group had to be remedied and this would require significant restructuring and reorganisation of the group and its resources. To that extent the directors formulated a restructuring plan and began to implement it during the course of the year.

Following the completion of the acquisition, the board of directors intend to push through the restructuring in order to rationalise the cost base of the business and stabilise the trading performance of the business in order that they become viable operating entities. The directors are confident that delivery of the restructuring plan will stabilise the business and ensure that it has a solid foundation going forward into a difficult trading period.

Primary risks

As with all retail businesses, the primary risk is considered to be a downturn in the UK economy, and volatility in the new and used car markets. Through implementing the restructuring programme, the directors believe that they are taking all possible steps to protect the business.

Immediate and ultimate holding company

As described above, on 31 December 2007, Cambria Automobiles (South East) Limited was acquired by Cambria Automobiles Acquisitions Limited. At the year end the ultimate holding company is Cambria Automobiles Holdings Limited, a company registered in England and Wales. Prior to this date the ultimate holding company was Summitomo Corporation, a company incorporated in Japan.

Charitable donations

During the year the Group made charitable donations totalling £4,421.

Directors and their interests

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

B Haga	(resigned 31 December 2007)
S Ogawa	(resigned 31 December 2007)
J A Mullins	(appointed 31 December 2007)
M J J Lavery	(appointed 31 December 2007)

Employees

The group recognises the benefit of keeping employees informed of group affairs and the views of employees are given full consideration at regular meetings with their representatives.

Full and fair consideration is given to the employment of disabled persons, who are treated no differently from other employees as regards training, career development and promotion opportunities. For people who may become disabled, in the course of employment, the group will make every effort to accommodate them in suitable alternative employment.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

KPMG LLP were appointed as auditors during the year.

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

J A Mullins
Secretary

Dorcan Way
Swindon
SN3 3RA

29 October 2008

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The group and parent company financial statements are required by law to give a true and fair view of the state of affairs of the group and the parent company and of the profit or loss for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK 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 group and the parent company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

KPMG LLP
Arlington Business Park
Reading
Berkshire
RG7 4SD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAMBRIA AUTOMOBILES (SOUTH EAST) LIMITED CAMBRIA AUTOMOBILES (SOUTH EAST) LIMITED (FORMERLY SUMMIT MOTORS INVESTMENT (UK) LIMITED)

We have audited the group and parent company financial statements (the ''financial statements'') of Cambria Automobiles (South East) Limited for the year ended 31 December 2007 which comprise the Group Profit and Loss Account, the Group and Company Balance Sheets, the Group Cash Flow Statement, and the related notes. 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 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' responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 70.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other 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 group's and 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, in accordance with UK Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 31 December 2007 and of the group's loss for the year then ended;

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.

KPMG LLP 29 October 2008

Chartered Accountants

Registered Auditor

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2007

	Note	**2007** **£**	2006 £
Turnover			
Continuing operations	*2*	**226,082,976**	189,384,466
Discontinued operations		**–**	15,335,728
		226,082,976	204,720,194
Cost of sales		**(196,533,540)**	(173,922,185)
Gross profit		**29,549,436**	30,798,009
Distribution costs		**(11,558,887)**	(13,562,437)
Administrative expenses		**(21,653,715)**	(19,703,011)
VAT refund	*3*	**–**	635,292
Pension transfer expense	*3*	**–**	(1,635,427)
Operating loss			
Continuing operations		**(3,663,166)**	(2,644,925)
Discontinued operations		**–**	(822,649)
		(3,663,166)	(3,467,574)
Profit on sale of fixed assets		**182,270**	–
Restructuring expenses	*3*	**(2,500,000)**	–
Interest payable and similar charges	*5*	**(992,721)**	(683,724)
Interest received	*6*	**62,849**	830,603
Loss on ordinary activities before taxation	*4*	**(6,910,768)**	(3,320,695)
Tax credit on ordinary activities	*9*	**639,919**	109,500
Loss for the financial year	*18*	**(6,270,849)**	(3,211,195)

The company has taken advantage of S230 Companies Act 1985 and has not prepared a separate profit and loss account. The loss after taxation dealt with in the account of the parent company is £4,239,391 *(2006: profit of £404,697)*.

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

At 31 December 2007

	2007 **£**	2006 £
Loss for the financial year	**(6,270,849)**	(3,211,195)
Actuarial gains/(losses) relating to defined benefit schemes	**932,000**	(907,000)
Forgiveness of loan by previous parent company	**19,000,000**	–
Total recognised gains/(losses) relating to the financial year	**13,661,151**	(4,118,195)

CONSOLIDATED BALANCE SHEET

At 31 December 2007

	Note	**2007** **£**	2006 £
Fixed assets			
Intangible assets	*10*	**1,258,780**	1,244,375
Tangible assets	*11*	**9,149,604**	11,087,070
		10,408,384	12,331,445
Current assets			
Stocks	*13*	**33,775,220**	38,313,519
Debtors	*14*	**7,288,584**	9,165,428
Cash at bank and in hand		**1,158,400**	6,377
		42,222,204	47,485,324
Creditors: amounts falling due within one year	*15*	**(32,750,971)**	(51,911,459)
Net current assets/(liabilities)		**9,471,233**	(4,426,135)
Total assets less current liabilities		**19,879,617**	7,905,310
Provisions for liabilities	*16*	**(2,500,000)**	–
Pension liability	*20*	**–**	(4,186,844)
Total net assets		**17,379,617**	3,718,466
Capital and reserves			
Called up share capital	*17*	**35,610,000**	35,610,000
Revaluation reserve	*18*	**149,311**	149,311
Profit and loss account	*18*	**(18,379,694)**	(32,040,845)
Equity shareholders funds	*18*	**17,379,617**	3,718,466

These financial statements were approved by the board of directors on 29 October 2008 and were signed on its behalf by:

J A Mullins
Director

COMPANY BALANCE SHEET

At 31 December 2007

	Note	2007 £	2006 £
Fixed assets			
Tangible assets	*11*	**7,204,406**	7,948,341
Investments	*12*	**15,450,900**	5,815,963
		22,655,306	13,764,304
Current assets			
Stocks	*13*	**15,288,374**	19,758,820
Debtors	*14*	**7,405,785**	6,497,666
Cash at bank and in hand		**–**	975,503
		22,694,159	27,231,989
Creditors: amounts falling due within one year	*15*	**(18,167,379)**	(31,074,816)
Net current assets/(liabilities)		**4,526,780**	(3,842,827)
Total assets less current liabilities		**27,182,086**	9,921,477
Provisions for liabilities	*16*	**(2,500,000)**	–
Total net assets		**24,682,086**	9,921,477
Capital and reserves			
Called up share capital	*17*	**35,610,000**	35,610,000
Revaluation reserve	*18*	**149,311**	149,311
Profit and loss account	*18*	**(11,077,225)**	(25,837,834)
Equity shareholders funds	*18*	**24,682,086**	9,921,477

These financial statements were approved by the board of directors on 29 October 2008 and were signed on its behalf by:

J A Mullins
Director

CASH FLOW STATEMENT

for the year ended 31 December 2007

	Note	**2007** **£**	2006 £
Net cash inflow/(outflow) from operating activities	*22*	**1,298,355**	(8,598,155)
Returns on investments and servicing of finance	*23*	**(929,872)**	146,879
Taxation		**639,919**	76,196
Capital expenditure and financial investment	*23*	**(699,065)**	(882,283)
Net cash outflows before management of liquid resources and financing		**309,337**	
Financing	*24/25*	**3,953,980**	(9,257,363)
			9,771,232
Increase in cash in the period		**4,263,317**	513,869

NOTES

(forming part of the financial statements)

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

The financial statements are prepared in accordance with applicable accounting standards and under the historical cost accounting rules modified to include the revaluation of certain land and buildings. The Group has applied the transitional rules contained in FRS 15 *Tangible fixed assets* to retain previous valuations as the basis on which certain of these assets are held.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertaking made up to 31 December 2007. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal. Under section 230 (4) of the Companies Act 1985 the Company is exempt from the requirement to present its own profit and loss account.

Turnover

Turnover represents amounts received for goods and services provided in the normal course of business, net of VAT and other sales related.

Cost of sales

Cost of sales include the net costs of all stocks, direct materials and labour relating to products and services sold during the year as well as all direct selling expenses incurred,

Goodwill

Purchased goodwill representing the excess of the fair value of the consideration given over the fair value of the separable net asset acquired arising on consolidation in respect of acquisitions since 1 January 1998 is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life with a full year's charge for amortisation in the year of acquisition. The directors regard 20 years as a reasonable maximum for the estimated useful life of goodwill since it is difficult to make projections exceeding the period. Provision is made for any impairment.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation, net of depreciation. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, by equal instalments over their estimated useful lives as follows:

Freehold land	–	No depreciation
Freehold buildings	–	2%
Plant and equipment	–	10% to 33%
Vehicles	–	15% to 36%
Hire vehicles	–	over contract term
Leasehold properties	–	over the life of lease

Investments

In the Company's financial statements investments in subsidiary undertakings' are stated at cost less amounts written off.

Stocks

Stocks are stated at the lower of cost and net realisable value. In determining the cost of motor vehicles, the actual amount paid to date for each car is used. For spare parts and service items, stocks are valued at invoiced cost on a first-in, first-out basis. Appropriate provision is made for obsolete or slow-moving items.

New vehicles on consignment from manufacturers are included in the balance sheet where it is considered that the company bears the risks and rewards of ownership.

Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the life of the lease.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Revaluation reserve

Surpluses arising on the revaluation of freehold land and buildings, and leasehold properties, are credited to the revaluation reserve and released back to profit and loss on disposal of the related asset.

Pension costs

During the year the Company operated a pension scheme providing benefits based on final pensionable pay. The assets of the scheme were held separately from those of the company. As described in note 15 a transfer exercise was completed in the year.

Pension scheme assets are measured using market values. For quoted securities the mid market price is taken as market value. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the scheme surplus/deficit is split between operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses.

Amounts charged to operating profit are the current services costs and gains and losses on settlements and curtailments. They are included as part of staff costs. The interest costs and the expected return on assets are shown as part of finance costs. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. The difference between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Related parties

The company has taken advantage of the exemption granted by Financial Reporting Standard 8 not to publish related parties information as the consolidated financial statements in which the company is included are publicly available as shown in note 22.

2. Turnover

The whole of the company's turnover arises in the United Kingdom and relates to the principal activities of the company. Turnover comprises sales invoiced to third parties excluding value added tax.

3. Exceptional items

VAT refund

During the year ended 31 December 2006 two subsidiary companies, Dove Group Limited and Invicta Motors Limited received a VAT refund and related interest in respect of output VAT previously paid on demonstration vehicles. An amount of £635,292 was included within exceptional items and £806,650 was included in interest received. Fees associated with the reclaim of £297,959 were included within administrative expense.

Pension transfer-expense

The Group has been engaged in an ongoing transfer exercise whereby members of the scheme were offered the choice of enhanced transfer value or a one off cash payment in order to exit the scheme (see note 20).

Restructuring

In the year 31 December 2007 £2,500,000 was charged to the profit and loss account. This relates to a £2,500,000 restructuring provision as set out in note 16.

4. Loss on ordinary activities before

	2007 **£**	2006 £
Depreciation	**2,590,467**	2,114,329
Operating leases		
Land and buildings	**2,157,156**	1,904,858
Plant and machinery	**–**	9,147
Auditors' remuneration		
Goodwill amortisation	**213,929**	193,962
Loss/(profit) on disposal of fixed assets	**(182,270)**	242,709
Rent received	**(96,000)**	(96,000)

The total remuneration of the group's auditors is analysed below:

	2007 **£**	2006 £
Audit of these financial statements	**63,320***	74,963
Audit of financial statements of subsidiaries pursuant to legislation	**68,444***	130,037
Other services relating to taxation	**61,500**	29,823
All other services	**2,200**	–

* Relates to £31,764 payable to the previous auditors, Deloitte & Touche LLP, and £100,000 payable to the current auditors, KPMG LLP.

All other fees relate to amounts payable to the previous auditors, Deloitte & Touche LLP.

Amounts paid to the Company's auditors in respect of services to the Company, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis.

5. Interest payable and similar charges

	2007	2006
	£	£
Bank loans and overdrafts	**96,296**	74,969
Interest on related party bank loans repayable within five years	**893,425**	392,755
Other finance charges (see note 19)	**3,000**	216,000
	992,721	683,724

6. Interest receivable

	2007	2006
	£	£
On VAT reclaim *(note 3)*	**–**	806,650
Other	**62,849**	23,953
	62,849	830,603

7. Emoluments of directors

	2007	2006
	£	£
Directors emoluments	**139,863**	495,939
Remuneration of the highest paid director	**139,863**	262,675

None of the directors received benefits under Summit Motors Investment (UK) Limited Group pension schemes in the current or prior year.

8. Staff costs

	2007	2006
	£	£
Aggregate staff remuneration for the year (including directors) comprised		
Wages and salaries	**16,111,228**	16,641,674
Social security costs	**1,835,373**	1,840,051
Other pension costs	**(109,019)**	205,145
	17,837,582	18,686,870

	2007	2006
	No.	No.
Sales and distribution	**176**	174
Administration	**130**	133
Servicing and parts	**372**	401
Average number of employees in the group (including directors)	**678**	708

9. Tax on profit on ordinary activities

	2007	2006
	£	£
Current tax		
Group relief payments in respect of prior period losses	**(639,919)**	(109,500)
Tax credit for year	**(639,919)**	(109,500)

Factors affecting the tax credit for the current period

The tax assessed for the period is lower than that resulting from applying the standard rate of corporation tax in the UK 30% *(2006: 30%)*.

The differences are explained below:

	2007	2006
	£	£
Loss on ordinary activities before tax	**(6,910,768)**	(3,320,695)
Tax at 30% (*2006: 30%)* thereon	**(2,073,230)**	(996,209)
Effects of		
Expenses not deductible for tax purposes	**1,938,369**	924,623
Capital allowances in excess of depreciation	**286,743**	(227,322)
Short term timing difference	**(62,177)**	(9,837)
Effects of losses	**1,210,450**	711,480
Pension timing differences	**(1,300,155)**	(402,735)
Sale of capital assets	**–**	–
Amounts received for group relief surrenders in respect of prior period losses	**(639,919)**	(109,500)
Current tax credit for year	**(639,919)**	(109,500)

10. Intangible fixed assets

The intangible assets relate to purchased goodwill arising from the acquisition of subsidiaries.

Group	**Total**
	£000
Cost	
As at 1 January 2007	3,942,311
Addition*	300,000
As at 31 December 2007	4,242,311
Accumulated amortisation	
As at 1 January 2007	2,697,936
Charge for the year	213,929
Addition*	71,666
At 31 December 2007	2,983,531
Net book value	
At 31 December 2007	**1,258,780**
At 31 December 2006	1,244,375

* The addition in the year represents the premium paid in respect of the leasehold premises of Grange Motors (Brentwood) Limited in 2003. The premium was previously treated as a revaluation in the Grange Motors (Brentwood) Limited accounts.

11. Tangible fixed assets

	Land and buildings £	Plant and equipment £	Vehicles and hire vehicles £	Total £
Group				
Cost or valuation				
As at 1 January 2007	10,561,740	7,246,591	29,735	17,838,066
Additions	42,317	1,296,957	–	1,339,274
Disposals	(469,417)	(333,908)	–	(803,325)
Transfers	148,032	(148,032)	–	–
Transfer to goodwill*	(300,000)	–	–	(300,000)
At 31 December 2007	9,982,672	8,061,608	29,735	18,074,015
Accumulated depreciation				
As at 1 January 2007	1,922,687	4,813,571	14,738	6,750,996
Charge for the year	1,248,236	1,336,872	5,359	2,590,467
Disposals	(30,792)	(314,594)	–	(345,386)
Transfers	28,742	(28,742)	–	–
Transfer to goodwill*	(71,666)	–	–	(71,666)
At 31 December 2007	3,097,207	5,807,107	20,097	8,924,411
Net book value				
At 31 December 2007	**6,885,465**	**2,254,501**	**9,638**	**9,149,604**
At 31 December 2006	8,639,053	2,433,020	14,997	11,087,070

The analysis of land and buildings is as follows:

	Land and buildings £	Long leasehold £	Short leasehold £	Total £
Cost or valuation				
As at 1 January 2007	6,151,020	941,275	3,469,445	10,561,740
Additions	–	–	42,317	42,317
Disposals	(469,417)	–	–	(469,417)
Transfers	–	–	148,032	148,032
Transfer to goodwill*	–	–	(300,000)	(300,000)
At 31 December 2007	5,681,603	941,275	3,359,794	9,982,672
Accumulated depreciation				
As at 1 January 2007	486,678	81,442	1,354,567	1,922,687
Charge for the year	57,377	14,038	1,176,821	1,248,236
Disposals	(30,792)	–	–	(30,792)
Transfers	–	–	28,742	28,742
Transfer to goodwill*	–	–	(71,666)	(71,666)
At 31 December 2007	513,263	95,480	2,488,464	3,097,207
Net book value				
At 31 December 2007	**5,168,340**	**845,795**	**871,330**	**6,885,465**
At 31 December 2006	5,664,342	859,833	2,114,878	8,639,053

* see note 10

Included above are motor vehicles leased to third parties under operating leases

	£
Net book value	
At 31 December 2007	**9,638**
At 31 December 2006	14,997

A revaluation of certain freehold buildings occurred prior to the adoption of FRS 15. Tangible fixed assets and the group has made use of transitional provision to retain the book amounts of revalued assets.

Under the historical cost basis the value of freehold and leasehold properties is:

	£
Freehold land and buildings	6,001,709

Company	Vehicles & hire vehicles £	Land & buildings £	Long leasehold £	Short leasehold £	Plant & equipment £	Total £
Cost						
At 1 January 2007	29,735	5,601,611	941,275	1,568,026	3,686,307	11,826,954
Additions	–	–	–	42,317	1,041,030	1,083,347
Disposals	–	(474,417)	–	–	(35,778)	(510,195)
At 31 December 2007	29,735	5,127,194	941,275	1,610,343	4,691,559	12,400,106
Depreciation						
As at 1 January 2007	14,738	486,678	81,442	736,370	2,559,385	3,878,613
Charge for the year	5,359	57,377	14,038	366,960	920,728	1,364,462
Disposals	–	(30,792)	–	–	(16,583)	(47,375)
At 31 December 2007	20,097	513,263	95,480	1,103,330	3,463,530	5,195,700
Net book value						
At 31 December 2007	**9,638**	**4,613,931**	**845,795**	**507,013**	**1,228,029**	**7,204,406**
At 31 December 2006	14,997	5,114,933	859,833	831,656	1,126,922	7,948,341

12. Investments

	Company £
Cost of subsidiaries	
At 1 January 2007	22,506,034
Additions	7,000,000
Disposals	(63,000)
At 31 December 2007	29,443,034
Provision for impairment	
At 1 January 2007	16,690,071
Reversal of impairment	(2,697,937)
At 31 December 2007	13,992,134
Net book value	
At 31 December 2007	**15,450,900**
At 31 December 2006	5,815,963

All subsidiary undertakings have been consolidated in the financial statements. The subsidiary undertakings operate in the country of registration. This proportion of the share capital held is as follows:

	Country of incorporation	Status	Principal activity	Holding
Subsidiary undertakings				
Dove Group Limited	Great Britain	Dormant	Motor retailer	100% ordinary shares
Deeslease Limited	Great Britain	Dormant	Motor retailer	100% ordinary shares
Translease Vehicle Management Limited	Great Britain	Dormant	Contract hire	100% ordinary shares
Invicta Motors Limited	Great Britain	Trading	Motor retailer	100% ordinary and preference shares
Grange Motors (Brentwood) Limited	Great Britain	Trading	Motor retailer	100% ordinary shares

13. Stocks

	Group		Company	
	2007 £	2006 £	**2007 £**	2006 £
Vehicles from manufacturers	**16,772,879**	20,468,899	**9,043,657**	12,339,677
Other new and used vehicles	**14,898,223**	15,692,738	**5,411,864**	6,573,485
Other stocks	**2,104,118**	2,151,882	**832,853**	845,658
	33,775,220	38,313,519	**15,288,374**	19,758,820

14. Debtors

	Group		Company	
	2007 £	2006 £	**2007 £**	2006 £
Trade debtors	**3,783,246**	5,096,338	**2,335,758**	2,779,655
Amounts owed by related parties	**–**	690,891	**–**	690,891
Amounts owed by group undertakings	**–**	–	**3,196,732**	926,082
Other debtors	**50,000**	–	**–**	–
Prepayments and accrued income	**2,745,577**	2,231,556	**1,491,997**	1,108,997
Value added tax	**676,457**	1,113,339	**381,298**	992,041
Corporation tax	**33,304**	33,304	**–**	–
	7,288,584	9,165,428	**7,405,785**	6,497,666

Deferred tax assets have not been recognised for the group in respect of timing differences relating to capital allowances of £611,438 *(2006: £548,885)*, tax losses of £nil *(2006: £2,325,616),* the pension deficit of £nil *(£2,227,065)* and other timing differences of £nil *(2006: £200,576)*. In addition, deferred tax assets have not been recognised for the company in respect of timing differences relating to capital allowances of £318,002 *(2006: £299,549)*, tax losses of £nil *(2006: £1,780,682)* and other timing differences of £nil *(2006: £1,497)*. These assets would be recovered if sufficient profits were available against with the asset could reserve.

15. Creditors: amounts falling due within one year

	Group		Company	
	2007	2006	**2007**	2006
	£	£	**£**	£
Bank overdraft	**–**	3,111,294	**1,226,373**	–
Stock liability due to manufacturers	**16,772,879**	20,468,899	**9,043,657**	12,339,676
Loans from related parties	**–**	11,350,000	**–**	11,350,000
Trade creditors	**9,056,472**	7,572,559	**3,658,852**	3,283,483
Amounts due to group undertakings	**–**	–	**–**	–
Taxation and social security	**501,979**	617,687	**501,979**	557,462
Accruals and deferred income	**5,174,502**	7,133,094	**3,576,029**	3,291,571
Vehicle deposits	**1,245,139**	1,657,926	**160,489**	252,624
	32,750,971	51,911,459	**18,167,379**	31,074,816

The stock liability is the liability manufacturers for interest bearing stock.

Overdrafts are secured by charges over the assets of the group.

16. Provisions for liabilities

Group and Company	Onerous leases/ contracts £	Staff costs £	Property costs £	IT £	Restructuring provision total £
At beginning of year	–	–	–	–	**–**
Amounts provided in year – charge to profit and loss account	418,000	1,542,000	300,000	240,000	**2,500,000**
At end of year	418,000	1,542,000	300,000	240,000	**2,500,000**

£792,000 of staff costs are expected to be utilised by 31 December 2008 with the remainder by 31 December 2009. £230,970 of onerous lease/contract costs are expected to be utilised by 31 December 2008 with the remainder by 31 December 2009. £50,000 of property costs are expected to be utilised by 31 December 2008 with the remainder by 31 December 2009. IT costs are expected to be utilised by 31 December 2008.

17. Called up share capital

	2007	2006
	£	£
Authorised share capital		
40,000,000 Ordinary shares of £1 each	**40,000,000**	40,000,000
Called up, allotted and fully paid		
35,610,000 Ordinary shares of £1 each	**35,610,000**	35,610,000

18. Combined reconciliation of movement in reserves and shareholders' funds

Group	Issued share capital £	Revaluation reserve £	Profit & loss account £	Shareholders' funds 2007 Total £	Shareholders' funds 2006 Total £
As at the beginning of the year	**35,610,000**	**149,311**	**(32,040,845)**	**3,718,466**	7,836,661
Loss for the year	**–**	**–**	**(6,270,849)**	**(6,270,849)**	(3,211,195)
Actuarial (losses) relating to defined benefit schemes	**–**	**–**	**932,000**	**932,000**	(907,000)
Forgiveness of debt by previous parent company	**–**	**–**	**19,000,000**	**19,000,000**	–
At end of year	**35,610,000**	**149,311**	**(18,379,694)**	**17,379,617**	3,718,466

Company	Issued share capital £	Revaluation reserve £	Profit & loss account £	Shareholders' funds 2007 Total £	Shareholders' funds 2006 Total £
At the beginning of the year	**35,610,000**	**149,311**	**(25,837,834)**	**9,921,477**	9,516,780
Profit/(loss) for the year	**–**	**–**	**(4,239,391)**	**(4,239,391)**	404,697
Forgiveness of debt by previous parent company	**–**	**–**	**19,000,000**	**19,000,000**	–
	35,610,000	**149,311**	**(11,077,225)**	**24,682,086**	9,921,477

19. Operating lease commitments

At 31 December 2007 the company and group were committed to making the following payments in respect of operating leases:

	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Land and buildings				
Leases which expire				
– within one year	**49,333**	71,463	**61,333**	83,463
– between two and five years	**120,083**	143,250	**201,583**	224,250
– after five years	**808,450**	788,450	**1,528,635**	1,508,635
Total operating lease commitment	**977,866**	1,003,163	**1,791,551**	1,816,348

20. Pension commitments

The Group offers a defined contribution personal pension scheme for those employees who have chosen to join. Contributions to the Summit Group defined contribution Scheme amounted to £239,000 *(2006: £73,349)* and are charged to the profit and loss account as incurred.

The Group also contributes to the Invicta Motors Pension Plan, a defined benefit pension scheme closed to new members. Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuation. The latest full actuarial valuation of the Plan effective at 31 December 2005, was undertaken during 2006 by an independent actuary. This was updated by an independent actuary as at 30 September 2007, the date of transfer.

At 31 December 2006, the market value of the assets of the scheme was £16.47 million and this actuarial value was sufficient to cover 80% of the benefits which had accrued to the members, after allowing for expected future increases in earnings.

In order to reduce this deficit, the Group engaged in a transfer exercise whereby members of the scheme were offered the choice of an enhanced transfer value or a one-off cash payment in order to exit the scheme. Before making this decisions members were encouraged to seek independent financial advice the cost of which, up to £1,000 per person, was borne by the Group. At 31 December 2006 the Group was committed to a cash payment of £1,635,427 in respect of the cash election related to this exercise, this was disclosed as an exceptional item on the face of the profit and loss in the year ended 31 December 2006.

The exercise was expected to result in an actuarial gain on completion. As the Group was not irrevocably committed to the transfer at 31 December 2006, no curtailment was recognised during 2006. The Group completed the pension transfer exercise in the year and this resulted in a settlement gain of £471,000. In order to reduce the pension deficit the company made payments to the fund of £2.787 million *(2006: £4,795 million)* during the year.

Within the year, the Sumitomo pension scheme was transferred into a special purpose vehicle underwritten by Sumitomo Corporation.

In preparing the report, at 30 September 2007, the major assumptions used by the actuary were as follows:

	30 September 2007	31 December 2006	31 December 2005
Inflation assumption	**3.25% pa**	3.00% pa	2.50% pa
Rate of increase in salaries	**N/A**	N/A	N/A
Limited price indexation pension increases	**3.25% pa**	3.00% pa	2.50% pa
Discount rate	**6.00% pa**	5.20% pa	5.00% pa

The assets of the scheme are held in managed funds and unit trusts, operated by Legal and General and the expected rates of return assumed are as follows:

	30 September 2007	31 December 2006	31 December 2005
Equities	**8.00%**	8.00%	7.50%
Bonds	**5.50%**	5.00%	4.50%
Cash	**6.75%**	5.00%	4.50%

21. Pension scheme assets/(liabilities)

The fair value of the assets held, and the funding position was as follows:

	30 September 2007 £'000	31 December 2006 £'000	31 December 2005 £'000
Equities	**–**	9,420	5,563
Bonds	**8,800**	4,611	5,739
Cash	**195**	2,436	82
Total market value of assets	**8,995**	16,467	11,384
Present value of scheme liabilities	**(9,866)**	(20,654)	(19,243)
Deficit in the scheme (net pension liabilities)	**(871)**	(4,187)	(7,859)

	2007 £'000
Invicta Motors Limited Group Pension Plan	
Net deficit at 30 September	**(871)**
Contribution to settle deficit in October 2007	**1,913**
Loss on October settlement	**(1,042)**
Net deficit at 31 December	**–**

Analysis of the amount chargeable to operating profit

	2007 £'000	2006 £'000
Gain on settlement up to 30 September 2007	**1,513**	–
Loss on one off cash payment in October 2007	**(1,042)**	–
Total operating charge	**471**	–

Analysis of the amount to be charged to finance charges

	2007 £'000	2006 £'000
Expected return on pension scheme assets	**633**	732
Interest on pension scheme liabilities	**(636)**	(948)
Net cost (see note 6)	**(3)**	(216)

Analysis of amount recognised in statement of total recognised gains and losses (STRGL)

	2007 £'000	2006 £'000
Actual return less expected return on pension scheme assets	**(309)**	217
Experience gains and losses on pension scheme liabilities	**178**	(231)
Changes in assumptions underlying present value of scheme liabilities	**1,063**	(893)
	932	(907)

Movement in the deficit during the year

	2007	2006
	£	£
Deficit in scheme at beginning of year	**(4,187)**	(7,859)
Contributions	**2,787**	4,795
Gain on settlement	**471**	–
Other finance income	**(3)**	(216)
Actuarial gain/(loss)	**932**	(907)
Deficit on scheme at end of year	**–**	(4,187)

History of experience gains and loss

	2007	2006	2005	2004	2003
	£	£	£	£	£
Difference between expected and actual return on scheme assets	**(309)**	217	932	329	177
Percentage of Scheme assets	**(3%)**	1%	8%	3%	2%
Experience gains and losses on Scheme liabilities	**178**	(231)	24	(144)	771
Percentage of present value of Scheme liabilities	**2%**	(1%)	0%	(1%)	4%
Total amount recognised in statement of total recognised gains and losses	**932**	(907)	(1,402)	(553)	930
Percentage of present value of scheme liabilities	**9%**	(4%)	(7%)	3%	(5%)

22. Reconciliation of operating loss to net cash inflow/(outflow) from operating activities

	2007	2006
	£	£
Operating loss	**(3,663,166)**	(3,467,574)
Depreciation	**2,590,467**	2,114,329
Amortisation	**213,929**	193,962
Decrease/(increase) in stocks	**4,538,299**	(4,302,396)
Decrease in debtors	**1,876,844**	541,792
(Decrease)/increase in creditors	**(1,758,018)**	658,179
Decrease in provisions	**(2,500,000)**	(4,579,156)
Loss on disposal of fixed assets	**–**	242,709
Net cash inflow/(outflow) from operating activities	**1,298,355**	(8,598,155)

23. Analysis of items in the cash flow statement

	2007 £	2006 £
Returns on investment and servicing finance		
Interest received	**62,849**	830,603
Interest paid	**(992,721)**	(683,724)
Net cash (outflow)/inflow	**(929,872)**	146,879

	2007 £	2006 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	**(1,339,274)**	(1,931,945)
Sale of tangible fixed assets	**640,209**	1,049,662
Net cash outflow	**(699,065)**	(882,283)

	2007 £	2006 £
Financing		
New loans	**3,953,980**	9,771,232
Net cash inflow	**3,953,980**	9,771,232

24. Analysis of net debt

	At 1 January 2007 £	Cash flow £	Other non-cash changes £	At 31 December 2007 £
Cash in hand and at bank	6,377	1,152,023	–	1,158,400
Overdrafts	(3,111,294)	3,111,294	–	–
Debt due within one year – stock	(20,468,899)	(7,650,000)	19,000,000	–
Debt due within one year – group loan	(11,350,000)	3,696,020	–	(16,772,879)
	(31,818,899)	(3,953,980)	19,000,000	(16,772,879)
Net debt	(34,923,816)	309,337	19,000,000	(15,614,479)

25. Reconciliation of net cash flows to movement in net debt

	2007 £	2006 £
Increase in cash in the year	**4,263,317**	513,869
Cash inflow from increase in debt and lease financing	**(3,953,980)**	(9,771,232)
Forgiveness of group loan	**19,000,000**	–
Change in net debt resulting from cash inflows	**19,309,337**	(9,257,363)
Movement in net debt in the year	**19,309,337**	(9,257,363)
Net debt brought forward	**(34,923,816)**	(25,666,453)
Net debt carried forward	**(15,614,479)**	(34,923,816)

26. Other commitments

The holding company is jointly and severally liable in respect of value added tax liabilities arising in other group undertakings. The fellow subsidiary undertakings and the parent company were in a repayment position at 31 December 2007.

The holding company is party to a joint and several guarantee in respect of bank overdrafts arising in other group undertakings. Intragroup guarantees are accounted for as insurance contracts under FRS 12.

27. Ultimate parent and controlling company

On 31 December 2007, Cambria Automobiles (South East) Limited was acquired by Cambria Automobiles (Acquisitions) Limited. At the year end the ultimate holding company is Cambria Automobiles Holdings Limited, a company registered in England and Wales. Prior to this date the ultimate holding company was Sumitomo Corporation, a company incorporated in Japan.

The largest group in which the results of the Company are consolidated is that headed by Cambria Automobiles Holdings Limited, incorporated in England and Wales. The smallest group in which they are consolidated is that headed by Cambria Automobiles (South East) Limited incorporated in England and Wales. The consolidated financial statements of these groups are available to the public and may be obtained from Dorcan Way, Swindon, SN3 3RA.

In the opinion of the directors, the distribution of the ordinary shares in Cambria Automobiles Holdings Limited and the rights attributing to them means there is no overall controlling party of the company.

PART IV

ADDITIONAL INFORMATION

1. Responsibility statement

The Directors, whose names, business addresses and functions are set out on page 3 of this document, and the Company accept responsibility for the information contained in this document. To the best of the knowledge of the Directors and the Company (who have taken all reasonable care to ensure that such is the case) the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Incorporation and registration

2.1 The Company was incorporated in England and Wales on 23 March 2006 under the CA85 as a private company limited by shares. The registered number of the Company is 05754547. On 29 March 2010, the Company was re-registered as a public company pursuant to s90 CA06. The Company operates under the Statutes. The liability of the members is limited.

2.2 The Company's name on incorporation was De Facto 1342 Limited, which was changed to Cambria Automobiles Holdings Limited on 5 May 2006 and then changed again, on its re-registration as a public company on 29 March 2010 to Cambria Automobiles plc.

2.3 The registered office of the Company is at Dorcan Way, Swindon, Wiltshire SN3 3RA (telephone number: +44 (0)1793 414 200).

3. Group organisation

3.1 The Company is the ultimate holding company of the Group. All of the Company's subsidiaries are directly or indirectly wholly owned by the Company which also controls all the voting rights. All Group companies are incorporated in England and Wales:

Name	Proportion of ownership interest %	Proportion of voting power %	Trading status
Cambria Automobiles Group Limited	100	100	Active
Cambria Automobiles Property Limited*	100	100	Active
Cambria Automobiles Acquisitions Limited	100	100	Active
Cambria Vehicle Services Limited**	100	100	Active
Thoranmart Limited**	100	100	Active
Grange Motors (Swindon) Limitied**	100	100	Active
Cambria Automobiles (Swindon) Limited**	100	100	Active
Cambria Automobiles (South East) Limited**	100	100	Active
Grange Motors (Brentwood) Limited***	100	100	Active
Invicta Motors Limited***	100	100	Active
Invicta Motors (Maidstone) Limited	100	100	Active
Translease Vehicle Management Limited****	100	100	Dormant
Dove Group Limited***	100	100	Dormant
Deeslease Limited***	100	100	Dormant

* Immediate parent company – Cambria Automobiles Group Limited
** Immediate parent company – Cambria Automobiles Acquisitions Limited
*** Immediate parent company – Cambria Automobiles (South East) Limited
****Immediate parent company – Dove Group Limited

Franchises operated by the Group by operating site

Acquisition name	Date of acquisition	Number of operating sites	Site locations	Franchises operated from sites
CASL	18 Jul 2006	1	Swindon	Citroën
Sudbury Swindon	18 Jul 2006	1	Swindon	Seat Jaguar
Thoranmart	6 Aug 2007	1	Bury	Renault
Summit	31 Dec 2007	11	Ashford Brentwood Canterbury 2 Croydon Gatwick Exeter Horsham Thanet Welwyn Garden City Wimbledon	5 Ford 3 Aston Martin 4 Jaguar 3 Volvo
Caledonia	18 Jan 2008	4	Blackburn Oldham Preston Warrington	Fiat
Additional franchises		0		Nissan 2 Volvo Lotus
Autohaus	31 Oct 2009	4	Birmingham Northampton Wellingborough Woburn	3 Triumph Mazda
Lythgoe	23 Dec 2009	1	Bolton	Fiat Mazda
D&F	25 Feb 2010	2	Maidstone Tunbridge Wells	Honda Mazda

4. Share capital of the Company

4.1 The history of the Company's share capital since its incorporation on 23 March 2006 being the period covered by Part III (*Historical Financial Information*) is as follows:

(a) As at 23 March 2006, the Company had an authorised share capital of £1,000 divided into1,000 Ordinary Shares of £1 each.

(b) On 18 July 2006 the Company passed certain written resolutions including:

(i) an ordinary resolution pursuant to which, the Company's 1,000 unissued ordinary shares were re-designated as B ordinary shares of £1 each;

(ii) an ordinary resolution pursuant to which, the authorised share capital of the Company was increased by the creation of:

(A) 166,000 A ordinary shares of 10 pence each; and

(B) 165,000 B ordinary shares of £1 each; and

(C) 334,000 preference shares of 10 pence each.

Pursuant to these authorities the Company issued:

(i) 166,000 A Ordinary Shares of 10 pence each issued at a premium of 90 pence per share;

(ii) 165,000 B ordinary shares of £1 each; and

(iii) 344,000 preference shares at a premium of 10 pence each.

(b) On 31 December 2007 the Company passed certain written resolutions including:

(i) an ordinary resolution pursuant to which, the Company's 334,000 preference shares were divided and re-designated 3,340,000 C Ordinary Shares of 1 pence each;

(ii) an ordinary resolution pursuant to which, the authorised share capital of the Company was increased by the creation of:

(A) 47,428 D Ordinary Shares of 1 pence each; and

(B) 10,132,604 C Ordinary Shares of 1 pence each, and

(iii) an ordinary resolution pursuant to which, the sum of £137.08 (being part of the moneys then representing sums standing to the credit of the Company's share premium account) were capitalised by the paying up in full of 13,708 C Ordinary Shares of 1 pence; and

(iv) ordinary and special resolutions pursuant to which, the Directors were granted authority under s80 and s95 of CA85 to allot relevant securities up to a nominal value of £101,800.32, as if subsection 1 of s89 CA85 did not apply, pursuant to which authorities the Company alloted 10,132,604 C Ordinary Shares on 31 December 2007.

(c) On 26 June 2008 the Company passed a written resolution pursuant to which 9,485 of the Company's existing authorised but unissued D Ordinary Shares of 1 pence each were re-designated 9,485 E Ordinary Shares of 1 pence each.

(d) On 12 July 2008 pursuant to the authority granted to the directors on 31 December 2007 the Company issued 28,456 D Ordinary Shares and 9,485 E Ordinary Shares to certain of its employees and Directors.

(e) On 28 November 2008 pursuant the authority granted to the directors on 31 December 2007 the Company issued a further 9,485 D Ordinary Shares to an employee of the Group.

(f) On 26 March 2010, pursuant to powers contained in the Articles the company alloted 8 D Ordinary Shares to Promethean Investments LLP and pursuant to the terms of two off-market purchase agreements the Company agreed, conditional on Admission, to buy-back from its shareholders 5 E Ordinary Shares and 9,195,054 C Ordinary shares;

(g) On 26 March 2010, the Company shareholders passed a written resolution (conditional on Admission) pursuant to which the Company:

(i) sub-divided each of its issued B Ordinary Shares of £1 each into new B Shares of 10 pence each (''New B Shares'') on the basis of 10 New B Shares for every existing B Ordinary Share;

(ii) consolidated all of its issued C Ordinary Shares of one penny each into new C shares of 10 pence each (''New C Shares'') on the basis of 1 New C Share for every 10 existing C Ordinary Shares;

(iii) consolidated all of its issued D Ordinary Shares of one penny each into new D shares of 10 pence each (''New D Shares'') on the basis of 1 New D Share for every 10 existing D Ordinary Shares;

(iv) consolidated all of its issued E Ordinary Shares of one penny each into new E shares of 10 pence each (''New E Shares'') on the basis of 1 New E Share for every 10 existing E Ordinary Shares;

(v) and then alloted by way of a bonus issue fully paid:

(A) 41,832,654 A Ordinary Shares to the Company's A Ordinary Share shareholders;

(B) 40,338,654, New B Shares to the Company's New B Share shareholders;

(C) 7,411,239 New C Shares to the Company's New C Share shareholders;

(D) 6,527,095 New D Shares to the Company's New D Share shareholders; and

(E) 1,631,860 New E Shares to the Company's New E Share shareholders,

and converted all of the Company's New A, B, C, D and E Shares into Ordinary Shares, such that on Admission the Company will have an issued share capital of 100,000,000 Ordinary Shares.

4.2 On Admission, the amount of the Company's issued capital is £10,000,000 divided into 100,000,000 Ordinary Shares. All 100,000,000 Ordinary Shares are fully paid.

4.3 All of the Ordinary Shares will rank *pari passu* and no Shareholder enjoys different or enhanced voting rights from any other Shareholder.

4.4 No shares in the capital of the Company are held by or on behalf of the Company or any other member of the Group.

4.5 The Company has not issued any options or other rights to subscribe for shares in the capital of the Company.

4.6 All of the Ordinary Shares are in registered form.

5. Summary of the Articles

5.1 Copies of the Articles are available on written request to the Company Secretary of the Company and are available on the Company's website at www.cambriaautomobilesplc.co.uk.

5.2 **Articles**

The following is a summary of certain provisions of the Articles that were adopted conditional on Admission by a written resolution of the Company on 26 March 2010. This summary does not purport to be complete and is qualified in its entirety by the full terms of the Articles.

Objects

In accordance with s31 CA06, the Company's objects are unrestricted and so the Articles do not contain Company's objects or purposes.

Shares and rights attaching to them

Voting rights

Subject to any other provisions of the Articles and without prejudice to any special rights, privileges or restrictions as to voting attached to any shares forming part of the Company's share capital, the voting rights of members are as follows. On a show of hands, each member present in person, and each duly authorised representative present in person of a member that is a corporation, has one vote. On a show of hands, each proxy present in person who has been duly appointed by one or more members has one vote but a proxy has one vote for and one vote against a resolution if, in certain circumstances, the proxy is instructed by more than one member to vote in different ways on a resolution. On a poll each member present in person or by proxy or (being a corporation) by a duly authorised representative has one vote for each share held by the member. The Company itself is prohibited (to the extent specified by the CA06) from exercising any rights to attend or vote at meetings in respect of any shares held by it as treasury shares.

Restrictions on voting where sums overdue on shares

No member of the Company shall be entitled to vote at any general meeting of the Company or at any separate class meeting of the Company in respect of any share held by him unless all calls or other sums payable by him in respect of that share have been paid.

Dividends

Subject to the CA06 and the provisions of all other relevant legislation, the Company may by ordinary resolution declare dividends in accordance with the respective rights of members but no such dividend shall exceed the amount recommended by the Directors. If, in the opinion of the Directors, the profits of the Company available for distribution justify such payments, the Directors may pay fixed dividends payable on any shares of the Company with preferential rights, half-yearly or otherwise, on fixed dates and from time to time pay interim dividends to the holders of any class of shares. Subject to any special rights attaching to or terms of issue of any shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. No dividend shall be payable to the Company itself in respect of any shares held by it as treasury shares.

The Company may, upon the recommendation of the Directors, by ordinary resolution, direct payment of a dividend wholly or partly by the distribution of specific assets.

All dividends unclaimed may be invested or otherwise used at the Directors' discretion for the benefit of the Company until claimed (subject as provided in the Articles), and all dividends unclaimed after a period of 12 years from the date when such dividend became due for payment shall be forfeited and shall revert to the Company.

The Directors may, if so authorised by ordinary resolution passed at any general meeting of the Company, offer any holders of the Ordinary Shares the right to elect to receive in lieu of that dividend an allotment of Ordinary Shares credited as fully paid.

The Company may cease to send any cheque or warrant through the post or may stop the transfer of any sum by any bank or other funds transfer system for any dividend payable on any share in the Company which is normally paid in that manner on those shares if in respect of at least two consecutive dividends the cheques or warrants have been returned undelivered or remain uncashed or the transfer has failed and reasonable enquiries made by the Company have failed to establish any new address of the holder.

The Company or the Directors may specify a ''record date'' on which persons registered as the holders of shares shall be entitled to receipt of any dividend.

Distribution of assets on winding up

On any winding up of the Company (whether the liquidation is voluntary, under supervision or by the Court), the liquidator may with the authority of an extraordinary resolution of the Company and any other sanction required by the Statutes, divide among the Company's members (excluding the Company itself to the extent that it is a member by virtue of its holding any shares or treasury shares) *in specie* or in kind the whole or any part of the assets of the Company (subject to any special rights attached to any shares issued by the Company in the future) and may for that purpose set such value as he deems fair upon any one or more class or classes of property and may determine how that division shall be carried out as between the members or different classes of members. The liquidator may, with that sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he with the relevant authority determines, and the liquidation of the Company may be closed and the Company dissolved, but so that no members shall be compelled to accept any shares or other property in respect of which there is a liability.

Variation of rights

The rights or privileges attached to any class of shares may (unless otherwise provided by the terms of the issue of the shares of that class) be varied or abrogated with the consent in writing of the holders of three-fourths in nominal amount of the issued shares of that class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class, but not otherwise. These conditions are not more significant than is required by law.

Transfer of shares

All shares in the Company are in registered form and may be transferred by a transfer in any usual or common form or any form acceptable to the Directors and permitted by the CA06 and the UKLA and the London Stock Exchange (as appropriate).

The Directors may decline to register a transfer of a share which is:

(a) not fully paid or on which the Company has a lien provided that, where any such share is admitted to trading on the Official List or AIM that discretion may not be exercised in such a way as to prevent dealings in shares of that class from taking place on an open and proper basis; or

(b) (except where uncertificated shares are transferred without a written instrument) not lodged duly stamped at the registered office of the Company or at such other place as the Directors may appoint; or

(c) (except where a certificate has not been issued) not accompanied by the certificate of the share to which it relates or such other evidence reasonably required by the Directors to show the right of the transferor to make the transfer; or

(d) in respect of more than one class of share; or

(e) in the case of a transfer to joint holders of a share, the number of joint holders to whom the share is to be transferred exceeds four.

Pre-emption rights

There are no rights of pre-emption under the Articles in respect of transfers of issued Ordinary Shares. In certain circumstances, Shareholders may have statutory pre-emption rights under the CA06 in respect of the allotment of new shares in the Company. These statutory pre-emption rights would require the Company to offer new shares for allotment to existing Shareholders on a *pro rata* basis before allotting them to other persons. In such circumstances, the procedure for the exercise of such statutory pre-emption rights would be set out in the documentation by which such shares would be offered to Shareholders.

Directors

Number

Unless and until the Company in general meeting shall otherwise determine, the number of Directors shall not be less than 2.

Share qualification

A Director need not hold any share qualification but shall be entitled to receive notice of and to attend and speak at any general meeting of the Company or at any separate meeting of the holders of any class of shares of the Company.

Age of Directors

No Director shall vacate his office or be ineligible for appointment or re-appointment as a Director by reason only of his having attained any particular age, nor will special notice be required of any resolution appointing or approving the appointment of such a Director or any notice be required to state the age of the person to whom such resolution relates.

Borrowing powers

Subject as provided in the Articles and to the provisions of any relevant legislation, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or parts thereof and to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

Directors' interests and restrictions

(a) Subject as provided in the Articles the Board may, authorise a matter proposed to it which would, if not authorised, involve a breach by a Director of his duty under s175 CA06 to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the Company's interests.

(b) The Board's authorisation may include any terms, limits or condition including that:

  (i) if the relevant Director has (other than through his position as Director) information in relation to the relevant matter in respect of which he owes a duty of confidentiality to another person, he is not obliged to disclose that information to the Company or to use or apply it in performing his duties as a Director;

  (ii) the Director is to be excluded from discussions in relation to the relevant matter whether at a meeting of the Board or any committee or sub-committee of the Board or otherwise;

(iii) the Director is not to be given any documents or other information in relation to the relevant matter; and

(iv) the Director may or may not vote (or may or may not be counted in the quorum) at a meeting of the Board or any committee or sub-committee of the Board in relation to any resolution relating to the relevant matter.

(c) A Director does not infringe any duty he owes to the Company by virtue of ss171 to 177 CA06 if he acts in accordance with such terms, limits and conditions (if any) as the Board imposes in respect of its authorisation of the Director's conflict of interest.

(d) A Director is not required to account to the Company for any remuneration or other benefit which he derives from or in connection with a relationship involving a conflict of interest which has been authorised by the Board or by the Company in general meeting.

(e) Provided he has disclosed to the Board the nature and extent of his interest to the extent required by CA06, a Director is not required to account to the Company for any remuneration or other benefit which he derives from or in connection with: being a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is interested; acting (otherwise than as auditor) alone or through his organisation in a professional capacity for the Company; or being a director or other officer of, or employed by, or otherwise interested in the Company's subsidiaries or any other body corporate in which the Company is interested.

(f) Except as provided by the terms of any authorisation of a conflict of interest given by the Directors if a meeting of the Board is concerned with an actual or proposed transaction or arrangement with the Company in which a Director is interested, that Director may not vote or be counted in the quorum at that meeting or part of a meeting, unless:

(i) the Director's interest arises solely through an interest in shares, debentures or other securities of or otherwise in or through the Company;

(ii) the Company by ordinary resolution disapplies the provision of the Articles which would otherwise prevent a Director from being counted as participating in, or voting at, a meeting of the Board;

(iii) the Director's interest cannot reasonably be regarded as likely to give rise to a material conflict of interest; or

(iv) the Director's conflict of interest arises from:

(A) a guarantee, security or indemnity given, by or to a Director in respect of an obligation incurred by or on behalf of the Company or the Group;

(B) subscription for shares of the Company or any of its Subsidiaries, or to underwrite, sub-underwrite, or guarantee an offer of any such shares by the Company or the Group for subscription, purchase or exchange;

(C) arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the Company or any of its subsidiaries;

(D) the purchase or maintenance of insurance for a Director under which he may benefit;

(E) the giving to a Director of an indemnity against liabilities incurred in the execution and discharge of his duties;

(F) the provision to a Director of funds to meet expenditure incurred in defending criminal or civil proceedings against him; or

(G) proposals concerning another company in which he is interested, if he and any other persons connected with him do not to his knowledge hold an interest in shares representing one per cent. or more of the issued shares of any class of the equity share capital of that company.

(g) Where proposals are under consideration to appoint two or more Directors to offices or employment with the Company or with any company in which the Company is interested or to fix or vary the terms of such appointments, such proposals may be divided and considered in relation to each Director separately and in such case each of the Directors concerned (if not debarred from voting for another reason) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that which relates to him.

If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his agreeing voluntarily to abstain from voting, such question shall be referred to the chairman of the meeting (or where the interest concerns the chairman himself, to the deputy chairman of the meeting) and his ruling in relation to any Director shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned have not been disclosed fairly.

Remuneration

(a) Each of the Directors may (in addition to any amounts payable under paragraph (b) and (c) below or under any other provision of the Articles) be paid out of the funds of the Company such sum by way of Directors' fees as the Directors may from time to time determine.

(b) Any Director who is appointed to hold any employment or executive office with the Company or who, by request of the Company, goes or resides abroad for any purposes of the Company or who otherwise performs services which in the opinion of the Directors are outside the scope of his ordinary duties may be paid such additional remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Directors (or any duly authorised committee of the Directors) may determine and either in addition to or in lieu of any remuneration provided for by or pursuant to any other Article.

(c) Each Director may be paid his reasonable travelling expenses (including hotel and incidental expenses) of attending and returning from meetings of the Directors or committees of the Directors or general meetings or any separate meeting of the holders of any class of shares in the Company or any other meeting which as a Director he is entitled to attend and shall be paid all expenses properly and reasonably incurred by him in the conduct of the Company's business or in the discharge of his duties as a Director.

Pensions and other benefits

The Directors may exercise all of the powers of the Company to provide benefits, either by the payment of gratuities or pensions or by insurance or in any other manner whether similar to the foregoing or not, for any Director or former Director, or any person who is or was at any time employed by, or held an executive or other office or place of profit in, the Company or any body corporate which is or has been a subsidiary of the Company or a predecessor of the business of the Company or of any such subsidiary and for the families and persons who are or was a dependent of any such persons and for the purpose of providing any such benefits contribute to any scheme trust or fund or pay any premiums.

Appointment and retirement of Directors

(a) The Directors shall have power to appoint any person who is permitted by the Statutes and willing to act as a Director, either to fill a casual vacancy or as an additional director but so that the total number of Directors shall not exceed the maximum number fixed (if any) by or in accordance with the Articles. Any Director so appointed shall retire from office at the next annual general meeting of the Company following such appointment. Any Director so retiring shall be eligible for re-election.

(b) Subject as provided in the Articles, the Company may by ordinary resolution elect any person who is permitted by the Statutes and willing to act as a Director either to fill a casual vacancy or as an addition to the existing Directors or to replace a Director removed from office under the Articles.

(c) At each annual general meeting, a minimum number equal to one-third of the number of those Directors who are not due to retire at the annual general meeting under sub-paragraph (a) above (for the purposes of this paragraph ''Relevant Directors'') (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office. Directors retiring under paragraph (e) below shall be counted as part of this minimum number.

(d) The Directors to retire by rotation pursuant to paragraph (c) above shall include (so far as necessary to obtain the minimum number required and after taking into account the Directors to retire under paragraph (e) below) any Relevant Director who wishes to retire and not offer himself for re-election. Any further Directors to retire shall be those of the other Relevant Directors who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election.

(e) In any event, each Director shall retire and shall (unless his terms of appointment with the Company specify otherwise) be eligible for re-election at the annual general meeting held in the third calendar year (or such earlier calendar year as may be specified for this purpose in his terms of appointment with the Company) following his last appointment, election or re-election at any general meeting of the Company held at the date of adoption of the Articles.

(f) At the meeting at which a Director retires under any provision of the Articles, the Company may by ordinary resolution fill the vacated office by appointing a person to it, and in default the retiring Director shall be deemed to have been re-appointed except where:

  (i) that Director has given notice to the Company that he is unwilling to be elected; or

  (ii) at such meeting it is expressly resolved not to fill such vacated office or a resolution for the reappointment of such Director shall have been put to the meeting and not passed.

(g) In the event of the vacancy not being filled at such meeting, it may be filled by the Directors as a casual vacancy in accordance with sub-paragraph (a) above.

(h) The retirement of a Director pursuant to paragraphs (c), (d) and (e) shall not have effect until the conclusion of the relevant meeting except where a resolution is passed to elect some other person in the place of the retiring Director or a resolution for his re-election is put to the meeting and not passed and accordingly a retiring Director who is re-elected or deemed to have been re-elected will continue in office without break.

Indemnity of officers

Subject to the provisions of any relevant legislation, the Company may indemnify any Director and other officer of the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation to those duties.

Shareholders meetings

Annual general meetings

The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year. The annual general meeting shall be held at such time and place as the Directors may appoint.

Calling of general meetings

The Directors may call a general meeting. The Directors must call a general meeting if the members and the CA06 require them to do so.

Length of notice

An annual general meeting must be called by at least 21 clear days' notice and any other general meeting must be called by at least 14 clear days' notice, such notice to be given in accordance with the Articles.

Contents of notice and attendance

Every notice of meeting of the Company shall:

(a) specify the time, date and place of the meeting;

(b) state the general nature of the business to be dealt with at the meeting;

(c) include the statements required by s311(3) CA06;

(d) with reasonable prominence state that a member may appoint:

(i) a proxy to exercise all or any of the member's rights to attend, speak and vote at the meeting; and

(ii) more than one proxy in relation to the meeting if each proxy is appointed to exercise the rights attached to a different share or shares held by the member;

(iii) in the case of an annual general meeting, specify the meeting as such and include any statements required by s337(3) CA06; and

(iv) if the meeting is called to consider a special resolution, include the text of the resolution and the intention to propose the resolution as a special resolution.

Quorum of meetings

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business but the absence of a quorum shall not preclude the appointment of a chairman which shall not be treated as part of the business of a meeting. Two persons present and entitled to vote upon the business to be transacted, each being either a member or a proxy for a member or a duly authorised representative of a corporation which is a member, shall be a quorum for all purposes.

6. Other relevant laws and regulations

6.1 A Shareholder in a public company incorporated in the UK whose shares are admitted to trading on AIM is required pursuant to Rule 5 of the Disclosure and Transparency Rules to notify the Company of the percentage of his voting rights if the percentage of voting rights which he holds as a shareholder or through his direct or indirect holding of financial instruments (or a combination of such holdings) reaches, exceeds or falls below three per cent., four per cent., five per cent., and each one per cent. threshold thereafter up to 100 per cent. as a result of an acquisition of disposal of shares.

6.2 Pursuant to S979 to 991 of the CA06, where a takeover offer has been made for the Company and the offeror has acquired or unconditionally contracted to acquire not less than 90 per cent. of the voting rights carried by those shares, the offeror may give notice, to the holder of any shares to which the offer relates which the offeror has not acquired or unconditionally contracted to acquire that he wishes to acquire and is entitled to so acquire, to acquire those shares of the same terms as the general offer.

6.3 Pursuant to Part 22 of the CA06 and the Articles, the Company is empowered by notice in writing to require any person whom the Company knows to be, or has reasonable cause to believe to be interested in the Company's shares or, at any time during the three years immediately preceding the date on which the notice is issued has been so interested, within a reasonable time to disclose to the Company particulars of any interest, rights, agreements or arrangements affecting any of the shares held by that person or in which such other person as aforesaid is interested (so far as is within his knowledge).

7. Directors of the Company

7.1 Details of the Directors, their business addresses and their functions in the Company are set out on page 3 of this document under the heading ''Directors, Officers and Advisers''. Each of the Directors can be contacted at the registered office of the Company at Swindon Motor Park, Dorcan Way, Swindon, Wiltshire SN3 3RA.

7.2 In addition to being Directors of the Company, the Directors currently hold or have held the directorships of the companies and/or are or were partners of the partnership specified opposite their respective names below within the five years prior to the date of this document:

Director	Current	Previous
Warren Scott	Arun Properties Limited Club Golf Limited	None
Mark Lavery	Cambria Automobiles Acquisitions Limited Cambria Automobiles Group Limited Cambria Automobiles Limited Cambria Automobiles Property Limited Cambria Automobiles (South East) Limited Cambria Vehicle Services Limited Invicta Motors (Maidstone) Limited Deeslease Limited Dove Group Limited Grange Motors (Brentwood) Limited Grange Motors (Swindon) Limited Invicta Motors Limited Thoranmart Limited Translease Vehicle Management Limited	None
James Mullins	Cambria Automobiles Acquisitions Limited Cambria Automobiles Group Limited Cambria Automobiles Limited Cambria Automobiles Property Limited Cambria Automobiles (South East) Limited Cambria Vehicle Services Limited Invicta Motors (Maidstone) Limited Deeslease Limited Dove Group Limited Grange Motors (Brentwood) Limited Grange Motors (Swindon) Limited Invicta Motors Limited Thoranmart Limited Translease Vehicle Management Limited	None

Director	Current	Previous
Sir Peter Burt	Capital Bank Public Limited Company Promethean Investments (Carry) Limited Promethean Investments LLP Promethean plc Templeton Emerging Markets Investment Trust Public Limited Company	British Linen Bank Group Limited Dyslexia Scotland Edinburgh Festival Centre Limited Edinburgh International Festival Society Enterprise Group Limited (in liquidation) Gleacher Partners Limited (in liquidation) Gleacher Shacklock LLP HCEG Limited ITV Plc R&A Trust Company (No.1) Limited R&A Trust Company (No.2) Limited Royal Dutch Shell Plc The Honourable Company of Edinburgh Golfers Limited The Shell Transport and Trading Company Limited T.I.S. Holdings Limited
Michael Burt	Promethean Investments (Carry) Limited Promethean Investments (General Partner) Limited T.I.S. Holdings Limited	DLG Holdings Limited (in liquidation) Enterprise Group Limited (in liquidation)
Rodney Smith	None	Cambria Automobiles Acquisitions Limited Cambria Automobiles Group Limited Cambria Automobiles Limited Cambria Automobiles Property Limited Grange Motors (Swindon) Limited

Exceptions

(a) Sir Peter Burt and Michael Burt were both directors of Enterprise Group Limited, which was an investee company of the Promethean Group. Enterprise Group Limited has been in administration since 27 November 2009.

(b) Sir Peter Burt and Michael Burt were both directors of DLG Holdings Limited, which was an investee company of the Promethean Group. DLG Holdings Limited has been in administration since 12 November 2008.

(c) Sir Peter Burt was a director of Gleacher Partners Limited, which entered into a voluntary members liquidation on 3 June 2009.

7.3 Save as disclosed in paragraph 7.2, as at the date of this document, no Director has:

(a) any unspent convictions in relation to indictable offences;

(b) been declared bankrupt or been subject to any individual voluntary arrangement;

(c) been a director of any company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within 12 months after he ceased to be a director of that company;

(d) been a partner in any partnership which has been placed in compulsory liquidation, administration or partnership voluntary arrangement whilst he was a partner of that partnership or within 12 months after he ceased to be a partner in that partnership;

(e) been the owner of any asset or been a partner in any partnership which had an asset placed in receivership whilst he was a partner of that partnership or within the 12 months after he ceased to be a partner of that partnership; or

(f) been subject to any public criticisms by any statutory or regulatory authorities (including recognised professional bodies) or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

8. Directors' service agreements and letters of appointment

The following agreements have been entered into between (amongst others) the Directors and the Company:

8.1 *Warren Scott*

Warren Scott was appointed as a non-executive Director on 1 February 2008.

Warren Scott entered into a letter of appointment dated 26 March 2010 with the Company pursuant to which he was appointed as non-executive chairman of the Company for which he receives a fee of £25,000 per annum. The appointment is terminable by either party on 3 months' written notice.

8.2 *Mark Lavery*

Mark Lavery was appointed as a Director on 6 April 2006.

Mark Lavery entered into a service agreement dated 26 March 2010 with the Company pursuant to which he was employed as Chief Executive Officer with an annual salary of £300,000 per annum. The appointment is terminable by either party on 12 months' written notice.

8.3 *James Mullins*

James Mullins was appointed as a Director on 23 May 2007.

James Mullins entered into a service agreement dated 26 March 2010 with the Company pursuant to which he was employed as Finance Director with an annual salary of £125,000 per annum. The appointment is terminable by either party on 12 months' written notice.

8.4 *Sir Peter Burt*

Sir Peter Burt was appointed as a Director on 27 July 2006 and will be appointed as a non-executive Director conditional on Admission.

Sir Peter Burt entered into a letter of appointment dated 26 March 2010 with the Company pursuant to which he was appointed as a non-executive director of the Company for which Promethean Investments LLP receives a fee of £25,000 per annum. The appointment is terminable by either party on 3 months' written notice and anticipates the appointment lasting for 3 years.

8.5 *Michael Burt*

Michael Burt was appointed as a Director on 18 July 2006 and will be appointed as a non-executive Director conditional on Admission.

Michael Burt entered into a letter of appointment dated 26 March 2010 with the Company pursuant to which he was appointed as a non-executive director of the Company for which Promethean Investments LLP receives a fee of £25,000 per annum. The appointment is terminable by either party on 3 months' written notice and anticipates the appointment lasting for 3 years.

8.6 *Rodney Smith*

Rodney Smith was appointed as a Director on 6 April 2006.

Rodney Smith entered into a letter of appointment dated 26 March 2010 with the Company pursuant to which he was appointed as a non-executive director, conditional on Amdmission, for which he receives a fee of £50,000 per annum. The appointment is terminable by either party on 3 months' written notice.

8.7 The Company has a contracted bonus scheme for the two year period ending 31 August 2012 with both Mark Lavery, Chief Executive Officer and James Mullins, Finance Director. The scheme starts at a level of profit before tax (''PBT'') of £4.5 million (excluding one-off acquisition costs) in the year beginning 1 September 2010 with a bonus of 112.5 per cent. for Mark Lavery and 65 per cent. for James Mullins of annual salary and rises with every additional £500,000 of PBT. In calculating the bonus pool the Board's assumption is that the maximum payout in the year ending 31 August 2012 would be in the range of 225 per cent. and 275 per cent. of basic salary.

8.8 Save as specified in this paragraph, there are no existing or proposed service agreements, consultancy agreements or letters of appointment between any of the Directors and any member of the Group which provide benefits upon termination of employment or otherwise.

9. Directors' shareholdings and other interests

9.1 As at 29 March 2010, being the last practicable date prior to the publication of this document, conditional on Admission, and as expected to be immediately following Admission the interests (all of which are beneficial except as shown below) of the Directors in the existing share capital of the Company and (so far as is known to the Directors having made appropriate enquiries) persons connected with them (which expression shall be construed in accordance with s252 CA06) are as follows:

	Immediately prior to Admission		Immediately following Admission	
Name	**Number of Ordinary Shares**	**Percentage of Company's issued share capital**	**Number of Ordinary Shares**	**Percentage of Company's issued share capital**
Warren Scott	1,632,808	1.63	1,632,808	1.63
Mark Lavery	39,999,923	40.00	39,999,923	40.00
James Mullins	2,376,590	2.38	2,376,590	2.38
Sir Peter Burt	Nil	Nil	1,528,239	1.53
Michael Burt	Nil	Nil	1,528,239	1.53
Rodney Smith	1,998,731	2.00	1,998,731	2.00

9.2 Save as disclosed in this document, none of the Directors have any interests, whether beneficial or non-beneficial, in the issued share capital or loan capital of any member of the Group and nor (so far as is known to the Directors having made appropriate enquiries) do persons connected with them (which expression shall be construed in accordance with s252 CA06).

9.3 Save as disclosed in this document, none of the Directors has any interests in the share capital or loan capital of any member of the Group and nor do persons connected with them (which expression shall be construed in accordance with s252 CA06).

9.4 Save as set out below, there are no potential conflicts of interest between any duties to the Company of the Directors and their private interests and other duties.

Name	Position/interest
Sir Peter Burt	Various directorships and other roles with the Promethean Group
Michael Burt	Various directorships and other roles with the Promethean Group

9.5 Save as disclosed in this document, no Director nor any member of his immediate family nor any person connected with him has a related financial product (as defined in the AIM Rules for Companies) referenced to the Ordinary Shares being admitted.

9.6 Details of any restrictions agreed by the Directors with regard to the disposal of their holdings in the Company's securities are set out in paragraph 14.3 (*Material Contracts*) of this Part IV (*Additional Information*).

10. Employees

10.1 The table below sets out the number of persons employed by the Group during the financial years ended 31 August 2007, 2008 and 2009:

Financial year	Sales	Area Service	of Parts	Involvement Administration	Total average number of persons including Directors employed
2009	217	311	98	132	758
2008	212	313	103	120	748
2007	20	31	7	16	74

10.2 As at 28 February 2010 the Company had 891 employees.

10.3 The employees are located across the 25 sites operated by the Group.

10.4 The Company does not operate any share incentive schemes and does not have any share incentive arrangements in place.

10.5 The Group operates one defined benefit arrangement which it is in the process of winding up. In addition, certain companies from which the Group acquired subsidiaries or businesses operated defined benefit pension schemes. One of the Group companies might have a residual liability towards one of these schemes (which it is in the process of winding up), but the Group obtained indemnity protection from the relevant seller at the time of the acquisition of the relevant company and does not expect to have to make any payment towards it. To the extent that an acquisition has occurred within the previous two years, the pensions regulator may have the power to require the Group to provide support to employers in these schemes. The Group's other pension arrangements are all either defined contribution or wholly insured life assurance.

11. Related party transactions

Other than as disclosed in the Company's accounts in Part III (*Historical Financial Information*) none of the members of the Group have entered into any related party transaction, as defined by the AIM Rules for Companies for the period from incorporation to 31 August 2009. In addition to the shareholdings of the Directors as set out in paragraph 9 (*Directors' shareholdings and other interests*) of this Part IV (*Additional Information*).

12. Significant shareholdings

12.1 As at 29 March 2010, the last practicable date prior to the publication of this document, conditional upon, and immediately following Admission, save as set out below, the Company is not aware of any persons (so far as is known to the Directors having made appropriate enquiries) who directly or indirectly have an interest of three per cent. or more of the Company's capital or voting rights:

	Immediately prior to Admission		Immediately following Admission	
Name	**Number of Ordinary Shares**	**Percentage of Company's issued share capital**	**Number of Ordinary Shares**	**Percentage of Company's issued share capital**
Promethean Investments Fund LP	51,377,871	51.38	33,321,234	33.32
Mark Lavery	39,999,923	40.00	39,999,923	40.00

12.2 Save as disclosed in paragraph 12 (*The Takeover Code*) of Part I (*Information on the Company*), as at 29 March 2010, the last practicable date prior to the publication of this document, the Company was not aware of any person, who following Admission could directly, indirectly, jointly or severally exercise control over the Company.

12.3 As at 29 March 2010, the last practicable date prior to the publication of this document, the Company is not aware of any arrangements the operation of which may at a subsequent date result in a change in control of the Company.

13. Principal investments and acquisitions

The Company has made the following principal investments since its incorporation to the date of this document:

(a) the acquisition of D&F on 25 February 2010;

(b) the acquisition of the undertaking and certain assets of the business of Autohaus Limited on 31 October 2009;

(c) the acquisition of certain assets of the business of Caledonia Motor Group Limited on 18 January 2008;

(d) the acquisition of Summit Motors Investment (UK) Limited on 31 December 2007;

(e) the acquisition of Thoranmart Limited on 6 August 2007; and

(f) the acquisition of CASL and Sudbury (Swindon) Limited (renamed Grange Motors (Swindon) Limited) on 25 May 2006.

14. Material contracts

The following contracts (not being contracts entered into in the ordinary course of business):

(a) have been entered into by any member of the Group during the two years immediately preceding the date of this document; or

(b) have been entered into by a member of the Group and contain provisions under which any member of the Group has any obligation or entitlement which is or may be material to any member of the Group at the date of this document:

14.1 *Engagement letter including a nomad and broker agreement with Fairfax*

An engagement letter dated 18 March 2010 made between (1) the Company and (2) Fairfax pursuant to which the Company has, in relation to Admission, appointed Fairfax to act as nominated adviser and broker to the Company in connection with the Admission and in accordance with the requirements of the AIM Rules for Companies. Fairfax has agreed to continue to act as the Company's nominated adviser and broker following Admission and to carry out certain tasks.

Under the terms of the agreement, the Company agreed to pay a corporate finance fee upon completion of Admission and a retainer of £50,000 per annum.

Under this agreement, the Company gave certain customary indemnities to Fairfax in connection with its engagement as the Company's nominated adviser and broker and Admission.

14.2 *Introduction Agreement*

An introduction agreement dated 30 March 2010 between (1) the Company, (2) the Directors and (3) Fairfax pursuant to which the Company amongst other things authorised Fairfax to make the application for Admission on behalf of the Company. The Introduction Agreement also contains certain customary undertakings, warranties and indemnities given by the Company and the Directors (other than Sir Peter Burt and Michael Burt in respect of the warranties) in favour of Fairfax in respect of the content of this document and other matters relating to the Group and its affairs.

14.3 *Lock-In agreements*

The Lock-in Agreement (incorporating orderly market provisions) dated 30 March 2010 entered into by the (1) Directors and certain members of the senior management team with each of Promethean, (the "Relevant Shareholders") (2) the Company and (3) Fairfax pursuant to which the Relevant Shareholders have agreed not to dispose of any of their respective interests in Ordinary Shares until 30 June 2012, save in certain permitted circumstances. The Relevant Shareholders have also agreed that any sales of their shareholdings will be made (subject to certain conditions being fulfilled) through the Company's broker for the purpose of maintaining an orderly market in the Ordinary Shares for a further period of 12 months after the end of the lock-in period.

14.4 *Agreement for the purchase of shares and properties of D&F Trading Limited*

A sale and purchase agreement relating to the acquisition of the entire issued share capital of D&F entered into between (1) Drake & Fletcher Limited, (2) CAAL and (3) CAPL dated 25 February 2010 pursuant to which CAAL acquired the entire issued share capital of D&F which operates Honda and Mazda franchises from dealerships in Maidstone and Tunbridge Wells for a consideration of £1,339,892 (which figure included the repayment of an intercompany loan owed by D&F to Drake & Fletcher Limited and CAPL acquired the two relevant motor showrooms and workshops for a consideration of £3,550,000.

The agreement includes certain standard warranties in favour of CAAL and CAPL given by Drake and Fletcher Limited.

14.5 ***Agreement for the sale and purchase of certain assets of the business of Autohaus Limited (in administration)***

A sale and purchase agreement relating to the acquisition of certain assets of the business of Autohaus entered into between (1) Autohaus *(in administration)*, (2) Peter Hollis and Simon Elliott Glyn of Vantis Business Recovery Services (the **''Administrators''**), (3) CVSL and (4) IML dated 31 October 2009, pursuant to which CVS acquired such title (if any) as Autohaus held in the assets and business of the sale of Triumph motorbikes, parts and accessories carried out at three dealerships located in Birmingham, Wellingborough and Woburn for a total consideration of £250,527 and IML agreed to acquire such title (if any) as Autohaus held in the assets and business of the used motor vehicle retail and servicing business carried out by Autohaus at its properties for a total consideration of £101,373. The purchase did not include the acquisition of any dealer agreements. The agreement included the grant to CVSL and IML of a licence to occupy Autohaus's premises for a period of six months (renewable on request on a month by month basis for a further three months) on the condition that CVSL and IML continue to discharge the rent, service and insurance charges accruing on the premises.

The agreement also contains certain standard exclusions of the Administrators' personal liability and an indemnity from CVSL and IML in favour of the Administrators against all losses suffered by the Administrators in relation to all losses arising out of any ommission, neglect, default or breach of the agreement by CVSL or IML or their continuance of the business acquired.

15. Litigation

Cambria Automobiles (South East) Limited has received a claim form and particulars of claim from the solicitors of ADA Computer Systems Limited. ADA Computer Systems Limited are claiming for a total of £164,501.77 in connection with sums they claim are due under a software contract between that company and Cambria Automobiles (South East) Limited, in existence prior to the acquisition of that company by the Group. Cambria Automobiles (South East) Limited are defending this claim on the grounds that they believe this agreement was validly terminated.

Other than as stated above, there are no, and have been no, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened against it of which the Company is aware) during the period of 12 months prior to the date of this document which may have, or may have had in the recent past, a significant effect on the Company's and/or the Group's financial position or profitability.

16. Share incentive arrangements

Neither the Company nor any other member of the Group operate any share incentive arrangements.

17. Property

So far as the Company is aware there are no environmental issues that may affect the utilisation of the Company's tangible fixed assets.

18. Intellectual property and licences

The Group's only registered intellectual property is certain domain names used by websites operated by the Group, none of which the Company considers to be material.

19. Working capital

The Directors are of the opinion that, having made due and careful enquiry, the working capital available to the Company and the Group is sufficient for its present requirements, that is for at least twelve months from the date of Admission.

20. Significant change

There has been no significant change in the financial or trading position of the Group since 31 August 2009, the date to which the last financial information relating to the Group (as shown in Part III (*Historical Financial Information*)) was prepared.

21. Taxation

21.1 The following information, which sets out the taxation treatment for holders of Ordinary Shares, is based on existing law in force in the UK and what is understood to be current HM Revenue & Customs (**''HMRC''**) practice. It is intended as a general guide only and applies to Shareholders who are resident or ordinarily resident in the UK for tax purposes (except to the extent that specific reference is made to Shareholders resident or ordinarily resident outside the UK), who hold the Ordinary Shares as investments and who are the absolute beneficial owners of those Ordinary Shares but is no applicable to all categories of Shareholders, and in particular, is not addressed to (i) Shareholders who do not hold their Ordinary Shares as capital assets; (ii) Shareholders who own (directly or indirectly) 10 per cent. or more of the Company; or (iii) special classes of Shareholders such as dealers in securities or currencies, broker-dealers or investment companies.

The statements do not purport to be comprehensive or to describe all potential relevant tax considerations. Shareholders should note that the levels of and bases of, and relief from, taxation may change and that changes may affect the benefits of investment in the Company. This summary is not exhaustive and does not generally consider tax relief or exemptions. Shareholders who are in doubt as to their tax position, or who are subject to tax in a jurisdiction other than the UK, are strongly recommended to consult their professional advisers.

21.2 *UK taxation of dividends*

Under current United Kingdom tax legislation, no withholding tax will be deducted from dividends paid by the Company.

UK resident individuals whose income is within the lower or basic rate bands are liable to tax at 10 per cent on their gross dividend income. Individual shareholders resident for tax purposes in the UK are entitled to a non-refundable 'notional' tax credit of an amount equal to 10 per cent of the aggregate of the net dividend received and the tax credit (i.e. the notional credit is one ninth of the cash dividend received). The effect of this is that the tax credit attaching to the dividend will satisfy the income tax liability on UK dividends of an individual shareholder whose income is within the lower or basic rate bands. Shareholders liable to higher rate tax are liable to tax at 32.5 per cent on their gross dividend income and will have further tax to pay of 22.5 per cent of their gross dividend equivalent to 25 per cent of the net cash dividend received.

Following an announcement in the 2009 Budget, it is expected that from 6 April 2010 individual shareholders with annual taxable income in excess of £150,000 will be liable to tax at 42.5 per cent on their gross dividend income and will therefore have further tax to pay of 32.5 per cent of their gross dividend after taking account of the notional tax credit, equivalent to 36.1 per cent of the net cash dividend received.

UK resident trustees of discretionary or accumulation trusts are liable to income tax on UK company dividends at 32.5 per cent (42.5 per cent from 6 April 2010) of the gross dividend. After taking into account the 10 per cent tax credit, the trustees will be liable to additional income tax of 22.5 (36.1 per cent from 6 April 2010) per cent of the gross dividend, equal to 25 per cent (36.1 per cent) of the net dividend.

Corporate shareholders resident in the UK for tax purposes will generally be exempt from corporation tax in relation to dividends paid by the Company.

UK taxation of chargeable gains

If a shareholder who is a UK individual disposes of all or some of his Ordinary Shares, a liability to capital gains tax (**''CGT''**) may arise. The extent of the tax liability on any gains which may arise will depend on the availability of the annual CGT exemption and any other tax relief such as existing capital losses. CGT is currently charged at a flat rate of 18 per cent.

Corporate entities holding shares as an investment will be subject to corporation tax on any gain arising, subject to mitigation by indexation allowance and potentially by losses available for relief.

Trustees of a UK trust will be subject to tax on any gains. Any gain will be capable of mitigation by use of the annual exemption to the extent this has not been used against other gains.

UK stamp duty and stamp duty reserve tax

No UK stamp duty will be payable on the issue by the Company of Ordinary Shares.

Transfers of Ordinary Shares for value will generally give rise to a liability to pay UK *ad valorem* stamp duty, or stamp duty reserve tax, at the rate in each case of 50p per £100 of the amount or value of the consideration (rounded up in the case of stamp duty to the nearest £5).

Transfers made under the CREST system for paperless transfers of shares will generally be liable to stamp duty reserve tax.

22. Auditors

22.1 The auditors of the Group are KPMG LLP, whose address is Arlington Business Park, Reading, Berkshire RG7 4SD. The auditors are a member of the Institute of Chartered Accountants of England and Wales.

22.2 The financial information included in this document does not constitute statutory accounts within the meaning of s434(3) CA06. Statutory accounts of the Company for the financial years ended 31 August 2007, 2008 and 2009 have been delivered to the Registrar of Companies and:

(a) in respect of the statutory accounts for the financial years ended 31 August 2007 and 2008, the Company's auditor has made a report under s235 CA85 in respect of each of those statutory accounts and each such report was an unqualified report and did not contain a statement under s237(2) or (3) CA85; and

(b) in respect of the statutory accounts for the financial year ended 31 August 2009, the Company's auditor has made a report under s495 CA06 in respect of those statutory accounts and such report was an unqualified report and did not contain a statement under s498(2) or (3) CA06.

23. Expenses

23.1 The total costs, charges and expenses payable by the Company in connection with Admission are estimated to be £295,000 (exclusive of VAT). These expenses reflect the fact that a proportion of the Group's expenses have been met by the Promethean Group.

23.2 Other than Mark Lavery, James Mullins and Rodney Smith (each directors of the Company) who will receive bonuses of £560,000, £125,000 and £125,000 respectively in connection with Admission, no person (excluding professional advisers otherwise disclosed in this document and trade suppliers) has received, directly or indirectly, from the Company within the 12 months preceding Admission, or entered into contractual arrangements (not otherwise disclosed in this document) to receive on or after Admission, directly or indirectly, from the Company any of the following:

(a) fee totalling £10,000 or more;

(b) securities in the Company with a value of £10,000 or more, calculated by reference to the expected opening price of the Ordinary Shares; or

(c) any other benefit with a value of £10,000 or more.

24. Consents

24.1 Baker Tilly Corporate Finance LLP as reporting accountant has given and has not withdrawn written consent to the inclusion in this document of its report on the financial information relating to the Company in Section A of Part III (*Accountant's report on Cambria Automobiles plc*) in the form and context in which it appears and has authorised its report on the financial information as set out at Section A of Part III for the purposes of the AIM Rules for Companies. Baker Tilly Corporate Finance LLP has also given and not withdrawn its consent to the inclusion of references in this document to its name in the form and context in which it appears.

24.2 Fairfax has given and not withdrawn its written consent to the issue of this document with the inclusion in it of its name in the form and context in which it appears.

25. Sources of information

Where information in this document has been sourced from a third party, the source has been given along with the information, it has been accurately reproduced and, so far as the Company is aware and able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Dated: 30 March 2010

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