Chairman's Statement

Results and Dividends

The results for the first six months of 2005 reflect wider issues affecting the economy, with substantially lower economic confidence continuing to have a significant impact on both consumer and business demand. The market for new vehicles in the UK was substantially behind the same period last year (itself a reduction on the previous year), and the high cost of operating in the South East maintained its downward pressure on margins.

Following the requirement for Listed Groups to adopt International Financial Reporting Standards (IFRS), we present for the first time our results on this basis. We have restated the prior year's figures to reflect the changes to our accounting policies.

During the period under review, turnover remained relatively constant at £346 million, compared to £348 million for the first half of 2004. The result for the first half of the year was a loss before tax of £7.3 million (2004: a profit of £2.6 million). This loss included, for the first time, a goodwill impairment charge of £4.1 million. Adjusting for this charge, the operating result before goodwill impairment was a loss of £0.7 million (2004: a profit of £4.3 million).

Loss after tax was £6.1 million (2004: a profit of £1.7 million) representing a loss per share of 25.8p (2004: earnings of 7.3p). The directors have decided that it would not be appropriate to declare an interim dividend.

Expenditure on acquisitions was £0.9 million and net capital expenditure amounted to £1.5 million during the period. Overall there was a cash inflow of £2.1 million and an increase in net debt to £23.6 million.

Review of Business

The subdued state of the UK economy during the first half of 2005 resulted in the retail sector experiencing its toughest period for some time. This was particularly true in the South East, where the fall in sales, coupled with weak margins, compared to 2004 was greater than elsewhere. Many of the Group's corporate customers also cut back significantly, although this was at least partially offset by the acquisition of a number of major new accounts.

In response to these challenging trading conditions, the Group undertook a major cost reduction programme, which included closing the Tadworth and Chelsea sites. The costs incurred in this exercise are included in the results.

The Group's specialist brands once again produced an excellent return for the period under review, although the results were slightly behind the record performance achieved in the same period last year. In the second half of the year these brands will benefit from a number of new models. Due to the significant increase in model throughput last year, aftersales revenues have increased substantially.

In January 2005, we commenced a major refurbishment of the Group's famous Jack Barclay Bentley showrooms in Berkeley Square and anticipate a full operational return to business on completion in November 2005.

All other non-specialist brands that the Group represents experienced considerable margin erosion on new vehicles. Even the introduction of new models has had only a limited effect on this situation caused primarily by the lack of retail demand.

Early in the period, we re-branded all of our BMW and MINI dealerships 'H R Owen' for the West London market area and opened a new BMW and MINI dealership at Park Royal. We also opened a new BMW/MINI aftersales facility and a new MINI showroom adjacent to the existing BMW dealership at Heathrow.

During the period we completed a major refurbishment of our Mercedes-Benz dealership at Gatwick and commenced extensive refurbishment of both our Mercedes-Benz and Lexus dealerships in Brighton.

Current Trading and Outlook

In early September, the Group was appointed the authorised sales and aftersales representative for Bugatti sports cars, which further complements our specialist franchise activities for Bentley, Ferrari, Lamborghini, Maserati and Rolls-Royce.

The decline in new car sales is expected to continue for the remainder of 2005, with current industry forecasts for the full year now ranging between 2.35 and 2.45 million cars nationally, compared with the 2004 figure of 2.56 million.

Market conditions continue to be extremely challenging (in particular, retail sales) and it is expected that margins will remain weak. Whilst the introduction of many important new models and the impact of the cost-saving programme will benefit the Group, it is expected that the second half of the year will also result in a loss at the operating level.

Strategic Review

On 17th June 2005, we announced that the strategic review referred to in my statement of 22nd March 2005 had been completed, and that as a result the Group had decided to focus on its strong and profitable Specialist Division and dispose of a number of its franchises. Funds generated will be used to reduce debt, with the surplus being returned to shareholders.

I can confirm that the disposal process, although still in its early stages, is proceeding in accordance with our planned timetable, and updates will be given to shareholders as appropriate.

John P MacArthur

Chairman

28th September 2005

HR Owen Plc
Abbreviated consolidated profit and loss account
for the six months ended 30 June 2005

	Unaudited 6 months ended 30 June	Unaudited 6 months ended 30 June	Unaudited Year ended 31 December
	2005	2004	2004
	£'000	£'000	£'000
Continuing operations			
Revenue	346,170	348,426	686,661
Operating (loss)/profit before impairment of goodwill	(702)	4,392	5,394
Impairment of goodwill	(4,061)	---	---
(Loss)/profit from operations	(4,763)	4,392	5,394
Net interest payable	(2,545)	(1,787)	(4,096)
(Loss)/profit on ordinary activities before taxation	(7,308)	2,605	1,298

Taxation credit/(charge)	1,210	(889)	(487)
(Loss)/profit on ordinary activities after taxation	(6,098)	1,716	811
(Loss)/earnings per share Basic and diluted (loss)/earnings per share	(25.8)p	7.3p	3.5p
Dividends per share Declared in the period	5.0p	5.0p	10.0p

HR Owen Plc
Consolidated statement of recognised income and expense
for the six months ended 30 June 2005

	Unaudited 6 months ended 30 June 2005	Unaudited 6 months ended 30 June 2004	Unaudited Year ended 31 December 2004
	£'000	£'000	£'000
Actuarial losses recognised in defined benefit pension scheme	---	(519)	(1,038)
Deferred taxation thereon	---	156	311
Change in market value of	44	---	---

available for sale securities			
Net profits/(losses) recognised directly in equity reserves	44	(363)	(727)
(Loss)/profit for the financial period	(6,098)	1,716	811
Total recognised income and expense for the financial period	(6,054)	1,353	84

Consolidated statement of changes in shareholders' equity
for the six months ended 30 June 2005

	Unaudited share capital £'000	Unaudited share premium £'000	Unaudited profit and loss reserve £'000	Total £'000
At 1 January 2005	23,590	14,262	(9,023)	28,829
Net losses	---	---	(6,054)	(6,054)
Proceeds from shares issued	22	9	---	31
Dividends	---	---	(1,181)	(1,181)

Share options charge	---	---	13	13
At 30 June 2005	23,612	14,271	(16,245)	21,638

HR Owen Plc
Consolidated balance sheet
As at 30 June 2005

	Unaudited 30 June 2005	Unaudited 30 June 2004	Unaudited 31 December 2004
	£'000	£'000	£'000
Assets			
Non-current assets			
Goodwill	9,701	13,298	13,298
Property, plant and equipment	17,894	17,911	18,371
Available for sale securities	94	200	50
Deferred tax assets	1,902	547	691
	29,591	31,956	32,410
Current assets			
Inventories	95,187	99,367	109,959
Trade and other receivables	33,842	37,551	28,978
Cash and cash equivalents	38	31	13
	129,067	136,949	138,950
Liabilities			
Current liabilities			
Financial liabilities - borrowings	3,390	2,526	2,692
Trade and other payables	126,670	127,815	132,795

Current tax liabilities	---	442	---
	130,060	130,783	135,487
Net current (liabilities)/assets	(993)	6,166	3,463
Non-current liabilities			
Financial liabilities - borrowings	3,648	4,031	3,715
Deferred tax liabilities	2,037	2,005	2,037
Other non-current liabilities	1,275	809	1,292
	6,960	6,845	7,044
Net assets	21,638	31,277	28,829
Ordinary shares	23,612	23,590	23,590
Share premium	14,271	14,262	14,262
Profit and loss reserve	(16,245)	(6,575)	(9,023)
Total equity	21,638	31,277	28,829

The interim financial information was approved by the board of directors on 27 September 2005.

HR Owen Plc
Consolidated cash flow statement
For the six months ended 30 June 2005

	Unaudited 6 months ended 30 June 2005	Unaudited 6 months ended 30 June 2004	Unaudited Year ended 31 December 2004
	£'000	£'000	£'000

Cash flows from operating activities			
Cash generated from operations	5,604	3,463	5,705
Interest received	142	66	69
Interest paid	(2,686)	(1,853)	(4,165)
Tax received/(paid)	72	80	(229)
Net cash from operating activities	3,132	1,756	1,380
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment	44	15	13
Purchase of property, plant and equipment	(1,566)	(1,660)	(3,454)
Purchase of new dealerships	(918)	(1,237)	(1,237)
Net cash consumed by investing activities	(2,440)	(2,882)	(4,678)
Cash flows from financing activities			
Proceeds from issue of	31	161	163

ordinary share capital			
Repayment of borrowings	(218)	(72)	(250)
Receipt of new loans	2,800	2,433	5,785
Dividends paid to shareholders	(1,179)	(1,173)	(2,352)
Net cash from financing activities	1,434	1,349	3,346
Increase in cash and cash equivalents	2,126	223	48
Cash and cash equivalents at the beginning of the period	(2,295)	(2,343)	(2,343)
Cash and cash equivalents at the end of the period	(169)	(2,120)	(2,295)

HR Owen Plc
Reconciliation of operating (loss)/profit to net cash flow from operating activities for the six months ended 30 June 2005

	Unaudited 6 months ended 30 June 2005	Unaudited 6 months ended 30 June 2004	Unaudited Year ended 31 December 2004
	£'000	£'000	£'000
Continuing operations			

Net (loss)/profit Adjustments for:	(6,098)	1,716	811
Tax (credit)/charge	(1,210)	889	487
Depreciation	1,279	1,213	2,537
Loss on disposal of property, plant and equipment	869	5	17
Impairment of goodwill	4,061	---	---
Change in market value of available for sale securities	---	---	150
Share option charge	13	---	---
Interest income	(142)	(66)	(69)
Interest expense	2,686	1,853	4,165
Changes in working capital (excluding the effects of acquisition and disposal of subsidiaries):			
Decrease/(increase) in inventories	3,861	(4,727)	(5,627)
Increase in trade and other receivables	(4,937)	(13,118)	(4,233)
Increase in payables	5,239	15,214)	6,500

(Decrease)/increase in pensions	(17)	484	967
Cash generated from continuing operations	5,604	3,463	5,705

HR Owen Plc
Notes to the Interim Statement

1. Basis of preparation and statement of compliance

The interim financial statements comprise the unaudited results for the six months to 30 June 2005 and 30 June 2004, together with the unaudited results for the year ended 31 December 2004. Prior to 2005, the Group prepared its audited annual financial statements and unaudited interim results under UK Generally Accepted Accounting Principles (UK GAAP). The audited UK GAAP annual financial statements for 2004, which represent the statutory accounts for that year, and on which the auditors gave an unqualified opinion, have been filed with the Registrar of Companies.

From 1 January 2005, the Group is required to prepare its annual consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and implemented in the UK. As the annual 2005 financial statements will include comparatives for 2004, the Group's date of transition to IFRS under IFRS1 (First time adoption of IFRS) is 1 January 2004 and the 2004 comparatives have been restated accordingly.

The financial information has been prepared under the historical cost convention, except in respect of certain financial instruments, and has been prepared on a basis consistent with the IFRS accounting policies as set out later in this document. The accounting policies are consistent with those that the directors intend to use in the next annual financial statements. There is, however, a possibility that the directors may determine that some changes are necessary when preparing the full annual financial statements for the first time in accordance with accounting standards adopted for use in the European Union. The IFRS standards and IFRIC interpretations that will be applicable and adopted for use in the European Union at 31 December 2005 are not known with certainty at the time of preparing this interim financial information.

2. Dividends

No interim dividend has been declared for the six months ended 30 June 2005. The final dividend for 2004, declared and approved by shareholders at the Annual General Meeting of the Company in May 2005, of 5p per share, was paid to shareholders during the period on 3 June 2005.

3. (Loss)/earnings per share

The calculation of losses per share is based on the loss on ordinary activities after taxation of £6,098,000 and the weighted number of shares in issue during the period of 23,601,842.

The earnings per share for the year ended 31 December 2004 are based upon the profit on ordinary activities after taxation of £811,000 and the weighted number of shares in issue during the year of 23,474,322. The earnings per share for the six months ended 30 June 2004 are based upon the profit on ordinary activities after taxation of £1,716,000 and the weighted number of shares in issue during the period of 23,487,252.

4. Share options

On 28 April 2005 the Company granted 1,780,000 share options to directors and certain senior executives. An accounting charge of £13,000 has been taken against results in respect of the grant of these options.

5. Acquisitions

On 28 February 2005 the Group completed the acquisition of a Volkswagen dealership in High Wycombe, Buckinghamshire for a cash consideration, including incidental acquisition expenses, of £918,000. The dealership territory is adjacent to the Group's existing Volkswagen territories in North London and Buckinghamshire and will significantly strengthen the Group's representation in this area.

6. Interim Statement

Copies of the Interim Statement are available to the public at the registered office of the Company at 75 Kinnerton Street, London SW1X 8ED.

Restatement of 2004 full year results to 31 December 2004 under IFRS:

Profit and loss account	31 December 2004 as previously stated under UK GAAP	Dividends (note a)	Purchased Goodwill (note b)	Defined benefit pension scheme (note c)	De c (n
	£'000	£'000	£'000	£'000	
Revenue	686,661				
Cost of sales	(580,154)				
Gross profit	106,507				
Other income	663				
Distribution costs	(60,925)				

Administration costs	(41,608)	719	38
Operating profit	4,637	719	38
Interest payable and similar charges	(4,165)		
Interest receivable	37		32
Profit before tax	509	719	70
Taxation	(466)		(21)
Profit after tax	43	719	49

Restatement of 2004 interim results to 30 June 2004 under IFRS:

Profit and loss account	30 June 2004 as previously stated under UK GAAP £'000	Dividends (note a) £'000	Purchased Goodwill (note b) £'000	Defined benefit pension scheme (note c) £'000	De capital (n
Revenue	348,426				
Cost of sales	(294,484)				
Gross profit	53,942				
Other income	172				

Distribution costs	(29,854)		
Administration costs	(20,247)	360	19
Operating profit	4,013	360	19
Interest payable and similar charges	(1,853)		
Interest receivable	50		16
Profit before tax	2,210	360	35
Taxation	(879)		(10)
Profit after tax	1,331	360	25

Restatement of equity as at 31 December 2004 under IFRS:

	31 December 2004 as previously stated under UK GAAP £'000	Dividends (note a) £'000	Purchased Goodwill (note b) £'000	Defined benefit pension scheme (note c) £'000	Defe cap g (not £
Non-current assets					
Goodwill	12,579		719		
Property, plant and equipment	18,371				

Available for sale securities	50				
Deferred tax assets	---			387	
Total non-current assets	31,000		719	387	
Current assets					
Current assets	138,950				
Total current assets	138,950				
Current liabilities					
Financial liabilities - borrowings	2,692				
Trade and other payables	133,974	(1,179)			
Current tax liabilities	---				
Total current liabilities	136,666	(1,179)			
Non-current liabilities					
Financial liabilities - borrowings	3,715				
Deferred tax liabilities	223				1
Other non-current liabilities	---			1,292	
Total non-current liabilities	3,938			1,292	1
Net assets	29,346	1,179	719	(905)	(1,

Ordinary shares	23,590				
Share premium	14,262				
Profit and loss reserve	(8,506)	1,179	719	(905)	(1,
Total equity	29,346	1,179	719	(905)	(1,

Restatement of equity as at 30 June 2004 under IFRS:

	30 June 2004 as previously stated under UK GAAP £'000	Dividends (note a) £'000	Purchased Goodwill (note b) £'000	Defined benefit pension scheme (note c) £'000	Defe cap g (not £
Non-current assets					
Goodwill	12,940		358		
Property, plant and equipment	17,911				
Available for sale securities	200				
Deferred tax assets	---			243	
Total non-current assets	31,051		358	243	
Current assets					

Current assets	136,949				
Total current assets	136,949				
Current liabilities					
Financial liabilities - borrowings	2,526				
Trade and other payables	128,994	(1,179)			
Current tax liabilities	442				
Total current liabilities	131,962	(1,179)			
Non-current liabilities					
Financial liabilities - borrowings	4,031				
Deferred tax liabilities	191				1
Other non-current liabilities	---			809	
Total non-current liabilities	4,222			809	1
Net assets	31,816	1,179	358	(566)	(1,
Ordinary shares	23,590				
Share premium	14,262				
Profit and loss reserve	(6,036)	1,179	358	(566)	(1,
Total equity	31,816	1,179	358	(566)	(1,

Restatement of balance sheet as at 31 December 2003 under IFRS:

Balance sheet	31 December 2003 as previously stated under UK GAAP £'000	Dividends (note a) £'000	Purchased Goodwill (note b) £'000	Defined benefit pension scheme (note c) £'000	capit
Non-current assets					
Goodwill	12,789				
Property, plant and equipment	17,333				
Available for sale securities	200				
Deferred tax assets	---			98	
Total non-current assets	30,322			98	
Current assets					
Current assets	116,040				
Total current assets	116,040				
Current liabilities					
Financial liabilities - borrowings	2,763				

Trade and other payables	107,810	(1,173)	
Current tax liabilities	---		
Total current liabilities	110,573	(1,173)	
Non-current liabilities			
Financial liabilities - borrowings	4,098		
Deferred tax liabilities	191		
Other non-current liabilities	---		325
Total non-current liabilities	4,289		325
Net assets	31,500	1,173	(227)
Ordinary shares	23,468		
Share premium	14,222		
Profit and loss reserve	(6,190)	1,173	(227)
Total equity	31,500	1,173	(227)

Restatement of results under IFRS

Explanatory notes

Dividends - Under the Companies Act 1985 the Company previously provided for its interim and final dividends in the closing balance sheet for the period to which those dividends related and in advance of the dividend being declared and approved by the Annual General Meeting. Under IAS37 (Provisions, contingent liabilities and contingent assets), the dividend cannot be provided in the year-end balance sheet as, at that date, the dividend did not represent a liability. Accordingly, restatements have been made to adjust the dividends into the periods in which they were declared and approved;

Purchased goodwill - Purchased goodwill was previously amortised over its expected economic life, subject to an annual impairment review. Goodwill under IAS36 (Impairment of assets) is subject to impairment whenever events indicate that the carrying amount may have been impaired. Accordingly, restatements have been made to adjust for previous goodwill amortisation charges;

Defined benefit pension scheme - The Group's defined benefit pension scheme was previously not included into the consolidated balance sheet of the Group. Under IAS19 (Employee benefits) the assets and liabilities of the H.R. Owen London Defined Benefit Pension Scheme are now included in the consolidated balance sheet with income and costs of the Scheme being reported in the consolidated profit and loss account. The associated deferred tax asset is shown separately;

Deferred capital gains - Capital gains previously incurred where roll-over or hold-over relief had been claimed were not previously included on the consolidated balance sheet of the Group where the associated tax liability was not expected to crystallise in the foreseeable future. Under IAS12 (Income Taxes) these provisions for liabilities are now included on the consolidated balance sheet of the Group.

HR Owen Plc

Group accounting policies

Basis of accounting

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

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. The results of subsidiaries sold or acquired are included in the consolidated profit and loss account up to, or from, the date control passes. All subsidiaries have been accounted for using acquisition accounting. Intra-group sales and profits are eliminated fully on consolidation.

Revenue

Revenue comprises sales of motor vehicles, parts and accessories and are exclusive of VAT. Sales of motor vehicles, parts and accessories are recognised on delivery to the customer. Servicing and bodyshop sales are recognised on completion of the agreed work.

Segmental reporting

The Group has not adopted IAS14 (Segmental Reporting) in these interim financial statements.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets acquired. Goodwill is included in non-current assets and is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Available-for-sale financial assets

The Group holds an investment in a UK publicly quoted company. This is classified as an available-for-sale financial asset in accordance with IAS39 (Financial Instruments). Such assets are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

The Group has taken the exemption available under IFRS1 to adopt IAS39 from 1 January 2005. Therefore the comparatives have not been restated and reflect the accounting policy under UK GAAP whereby the investment was accounted for at cost less provision for any impairment in value considered to be permanent.

From 1 January 2005, the investment has been accounted for in accordance with the Group's IFRS accounting policy. Purchases and sales of such assets are recognised on trade-date (the date on which the Group commits to purchase or sell the asset) and are subsequently carried at fair value. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities. The fair values of quoted investments are based on current bid prices. The Group assesses at each balance sheet date whether there is objective evidence that a financial asset is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

Pension scheme arrangements

The Company operates a number of defined contribution pension schemes. The pension cost charge represents contributions payable to the funds in respect of the period. Certain employees are also members of the H R Owen London Defined Benefit Pension Scheme, a defined benefit pension scheme operated by H R Owen Plc, the ultimate parent company. The net deficit of the defined benefit pension scheme is calculated in accordance with IAS19 and is included in the Group's consolidated balance sheet. As permitted under IFRS1, all actuarial gains and losses were recognised in the balance sheet at 1 January 2004, the date of transition to IFRS. Actuarial gains and losses that have arisen from that date have also been recognised in full. The pension cost charged against income consists of the current service cost, interest cost, expected return on plan assets, past service cost as well as actuarial gains or losses.

Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, earnings per share targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

Taxation

The taxation charge for the period comprises both current and deferred tax. Taxation is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable for the period along with adjustments for tax payable in respect of previous periods. Deferred tax is provided for all deferred tax assets and liabilities using full provision accounting, when an event has taken place by the balance sheet date which gives rise to an increased or reduced tax liability in the future. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognised to the extent that it is probable that they are recoverable.

Property, plant and equipment

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated on a straight line basis so as to write off the cost of tangible fixed assets, less their estimated residual values, over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

	%
Freehold buildings	2
Plant and equipment	10
Fixtures and fittings	15
Office equipment	20

Computer equipment	22 - 33 1/3

Improvements to leasehold premises are depreciated over the shorter of the remaining life of the relevant lease, and the estimated useful economic life of the improvements. Freehold land is not depreciated.

Leased assets

Costs in respect of operating leases are charged on a straight line basis over the lease term. Leasing agreements, as defined under IAS17 (Leases), which transfer to the company substantially all the benefits and risks of ownership of an asset, are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the shorter of the lease terms and the useful lives of equivalent owned assets.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of vehicles and parts stocks represents the purchase price plus any additional costs incurred. Where necessary, provision is made for obsolete, slow moving and defective stock. Cars used for demonstration purposes are valued at cost less an appropriate charge for use. Vehicles on consignment are included in inventories when substantially all of the principal benefits and inherent risks rest with the company. The corresponding liability after deducting any deposits is included under creditors, as manufacturers' vehicle stocking loans.

Dividends

Dividend distributions to the Company's shareholders are recognised as a liability either in the period in which the dividends are approved by the Company's shareholders or, in the case of an interim dividend authorized under common form articles of association when the dividend is paid. Distributions to shareholders are not recognised in the profit and loss account under IFRS. They are disclosed as a component of the movement in shareholders' equity.

For further information, contact:

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