

Company Registration No. 2258919 (England and Wales)

AVENUE CARS OF GLOUCESTER LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007



AVENUE CARS OF GLOUCESTER LIMITED

COMPANY INFORMATION

Director	N A Broady
Secretary	R M Illesley
Company number	2258919
Registered office	Avenue House, City Business Centre Llanthony Road, Hempsted Gloucester Gloucestershire GL2 5JH
Auditors	Hazlewoods LLP Windsor House Barnett Way Barnwood Gloucester GL4 3RT
Business address	Avenue House, City Business Centre Llanthony Road, Hempsted Gloucester Gloucestershire GL2 5JH

AVENUE CARS OF GLOUCESTER LIMITED

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AVENUE CARS OF GLOUCESTER LIMITED

DIRECTOR'S REPORT

For the year ended 31 December 2007

The director presents his report and financial statements for the year ended 31 December 2007

Principal activities and review of the business

The principal activity of the company is the purchase and sale of motor vehicles

The director is pleased with the results for the year and of the financial position at the year end. The director considers that the company is well positioned to react to changing market conditions and expects the company to continue to trade profitably.

The key risk that the company faces is that of obsolescence of its stock of motor vehicles. The director monitors the company's stock holding constantly.

Given the straight forward nature of the business, the company's director is of the opinion that analysis using KPIs is not necessary for an understanding of the business.

Results and dividends

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

Director

The following director has held office since 1 January 2007:

N A Broady

Auditors

Hazlewoods LLP have expressed their willingness to continue in office.

Director's responsibilities

The director is responsible for preparing the financial statements in accordance with applicable law and regulations. Company law requires the director to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AVENUE CARS OF GLOUCESTER LIMITED

DIRECTOR'S REPORT (CONTINUED)

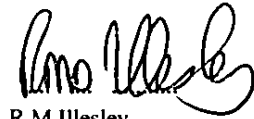
For the year ended 31 December 2007

Statement of disclosure to auditor

(a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

By order of the board



R M Illesley

Secretary

29/10/2008

AVENUE CARS OF GLOUCESTER LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF AVENUE CARS OF GLOUCESTER LIMITED

We have audited the financial statements of Avenue Cars of Gloucester Limited for the year ended 31 December 2007 set out on pages 5 to 18. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the director and auditors

The director's responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Director's Responsibilities.

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 director's 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 director's remuneration and other transactions is not disclosed.

We read the director's 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 judgements made by the director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

AVENUE CARS OF GLOUCESTER LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF AVENUE CARS OF GLOUCESTER LIMITED

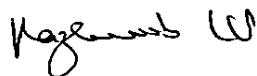
Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended, and

- the financial statements have been properly prepared in accordance with the Companies Act 1985, and

- the information given in the Directors' Report is consistent with the financial statements.



Hazlewoods LLP

27 October 2008

Chartered Accountants

Registered Auditor

Windsor House
Barnett Way
Barnwood
Gloucester
GL4 3RT

AVENUE CARS OF GLOUCESTER LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2007

	Notes	2007 £	2006 £
Turnover	2	7,216,835	8,121,852
Cost of sales		(6,677,258)	(7,628,350)
Gross profit		539,577	493,502
Administrative expenses		(432,895)	(420,311)
Other operating income		94,591	218,138
Operating profit	3	201,273	291,329
Interest payable and similar charges	4	(89,300)	(106,302)
Profit on ordinary activities before taxation		111,973	185,027
Tax on profit on ordinary activities	5	(22,575)	(64,896)
Profit for the year	15	89,398	120,131

The profit and loss account has been prepared on the basis that all operations are continuing operations

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

AVENUE CARS OF GLOUCESTER LIMITED

BALANCE SHEET

As at 31 December 2007

	Notes	2007 £	£	2006 £	£
Fixed assets					
Tangible assets	7 and 8		1,412,394		1,418,709
Current assets					
Stocks	9	1,280,668		1,298,147	
Debtors	10	473,841		259,742	
Cash at bank and in hand		5,288		5,288	
		1,759,797		1,563,177	
Creditors: amounts falling due within one year	11	(981,785)		(753,358)	
Net current assets			778,012		809,819
Total assets less current liabilities			2,190,406		2,228,528
Creditors: amounts falling due after more than one year	12		(739,193)		(781,963)
			1,451,213		1,446,565
Capital and reserves					
Called up share capital	14	50,000		50,000	
Revaluation reserve	15	220,110		220,110	
Profit and loss account	15	1,181,103		1,176,455	
Shareholders' funds	16		1,451,213		1,446,565

Approved by the Board and authorised for issue on 29 October 2008

N A Broady
Director

AVENUE CARS OF GLOUCESTER LIMITED

CASH FLOW STATEMENT

For the year ended 31 December 2007

	2007	2006
£	£	£
Net cash inflow from operating activities	5,853	29,228
Returns on investments and servicing of finance		
Interest paid	(89,300)	(106,302)
Net cash outflow for returns on investments and servicing of finance	(89,300)	(106,302)
Taxation	(65,148)	(49,585)
Capital expenditure		
Payments to acquire tangible assets	(11,599)	(803,317)
Receipts from sales of tangible assets	-	1,506,995
Net cash (outflow)/inflow for capital expenditure	(11,599)	703,678
Equity dividends paid	(84,750)	(42,384)
Net cash (outflow)/inflow before management of liquid resources and financing	(244,944)	534,635
Financing		
Capital element of hire purchase contracts	(6,250)	(14,824)
Net repayment of bank loan	(34,186)	(260,072)
Net cash outflow from financing	(40,436)	(274,896)
(Decrease)/increase in cash in the year	(285,380)	259,739

AVENUE CARS OF GLOUCESTER LIMITED

NOTES TO THE CASH FLOW STATEMENT

For the year ended 31 December 2007

1 Reconciliation of operating profit to net cash inflow from operating activities	2007 £	2006 £
Operating profit	201,273	291,329
Depreciation of tangible assets	17,914	30,374
Profit on disposal of tangible assets	-	(6,995)
Decrease/(increase) in stocks	17,479	(379,643)
Increase in debtors	(214,099)	(15,762)
(Decrease)/Increase in creditors within one year	(16,714)	109,925
Net cash inflow from operating activities	5,853	29,228

2 Analysis of net debt	1 January 2007 £	Cash flow £	Other non-cash changes £	31 December 2007 £
Net cash				
Cash at bank and in hand	5,288	-	-	5,288
Bank overdrafts	(399,750)	(285,380)	-	(685,130)
	(394,462)	(285,380)	-	(679,842)
Debt				
Finance leases	(19,271)	6,250	-	(13,021)
Debts falling due within one year	(31,684)	(2,141)	-	(33,825)
Debts falling due after one year	(768,701)	36,327	-	(732,374)
	(819,656)	40,436	-	(779,220)
Net debt	(1,214,118)	(244,944)	-	(1,459,062)

3 Reconciliation of net cash flow to movement in net debt	2007 £	2006 £
(Decrease)/increase in cash in the year	(285,380)	259,739
Cash outflow from decrease in debt and lease financing	40,436	274,896
Change in net debt resulting from cash flows	(244,944)	534,635
New finance lease	-	(34,095)
Movement in net debt in the year	(244,944)	500,540
Opening net debt	(1,214,118)	(1,714,658)
Closing net debt	(1,459,062)	(1,214,118)

AVENUE CARS OF GLOUCESTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2007

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents amounts receivable during the year for goods and services net of VAT and trade discounts

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Freehold land and buildings	Nil
Short leasehold land and buildings	Over the term of the lease
Fixtures, fittings & computer equipment	20% - 100% of cost per annum
Motor vehicles	20% - 25% of cost per annum

Certain of the group's properties are held for long term investment and in accordance with Statement of Standard Accounting Practice Number 19 are revalued annually with the aggregate surplus or deficit being transferred to an investment revaluation reserve. No depreciation is provided on such properties. The non provision of depreciation is not in accordance with the requirements of the Companies Act 1985 but it is considered necessary in order that the financial statements present a true and fair view.

Freehold land and buildings have not been depreciated on the basis of the assets having a high residual value and a long useful economic life, resulting in any depreciation charge being immaterial.

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

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

1.6 Stock

Stock is valued at the lower of cost and net realisable value.

AVENUE CARS OF GLOUCESTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2007

1 Accounting policies (Continued)

1.7 Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

1.8 Deferred taxation

In accordance with Financial Reporting Standard 19 Deferred Tax, full provision is made for deferred tax arising from timing differences between the differing treatment of certain items for taxation and accounting purposes. The provision is calculated at the rates of taxation at which it is estimated the liability will arise and is not discounted. No provision is made in respect of timing differences arising from the sale of fixed assets unless there is a commitment to the disposal of the assets at the balance sheet date. Deferred tax assets are recognised only to the extent that the directors consider there to be suitable taxable profits from which the underlying timing differences can be deducted.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit	2007 £	2006 £
Operating profit is stated after charging		
Depreciation of tangible assets	17,914	30,374
Operating lease rentals	2,376	10,080
Auditors' remuneration	6,500	6,000
and after crediting		
Profit on disposal of tangible assets	-	(6,995)

4 Interest payable	2007 £	2006 £
On bank overdrafts	38,498	41,528
On bank loans repayable after 5 years	49,996	64,035
Hire purchase interest	806	739
	<u>89,300</u>	<u>106,302</u>

AVENUE CARS OF GLOUCESTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2007

5	Taxation	2007 £	2006 £
	Domestic current year tax		
	U K corporation tax	22,575	65,148
	Adjustment for prior years	-	39
	Current tax charge	<u>22,575</u>	<u>65,187</u>
	Deferred tax		
	Deferred tax charge/credit current year	-	(291)
		<u>22,575</u>	<u>64,896</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>111,973</u>	<u>185,027</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.75% (2006 30.00%)	<u>22,115</u>	<u>55,508</u>
	Effects of		
	Non deductible expenses	190	1,097
	Depreciation in excess of capital allowances	270	1,433
	Adjustments to previous periods	-	39
	Chargeable disposals in excess of profit on disposal	-	39,532
	Marginal rate relief	-	(32,422)
		<u>460</u>	<u>9,679</u>
	Current tax charge	<u>22,575</u>	<u>65,187</u>

The company has included investment properties in these financial statements at valuation. No provision has been made for the taxation that would arise on disposal as such liabilities would arise only if the proceeds from the assets sold were not reinvested under the replacement of business assets provisions. The potential liability in such circumstances is estimated to be £17,000 (2006 £17,000).

6	Dividends	2007 £	2006 £
	Ordinary interim paid	<u>84,750</u>	<u>42,384</u>

AVENUE CARS OF GLOUCESTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2007

7 Tangible fixed assets

	Freehold land and buildings	Fixtures, fittings & computer equipment	Motor vehicles	Total
	£	£	£	£
Cost or valuation				
At 1 January 2007	834,042	201,566	34,095	1,069,703
Additions	9,015	2,584	-	11,599
At 31 December 2007	843,057	204,150	34,095	1,081,302
Depreciation				
At 1 January 2007	31,458	186,076	8,460	225,994
Charge for the year	-	9,390	8,524	17,914
At 31 December 2007	31,458	195,466	16,984	243,908
Net book value				
At 31 December 2007	811,599	8,684	17,111	837,394
At 31 December 2006	802,584	15,490	25,635	843,709

Included above are assets held under finance leases or hire purchase contracts as follows

	Motor vehicles £
Net book values	
At 31 December 2007	17,111
At 31 December 2006	25,635
Depreciation charge for the year	
At 31 December 2007	8,524
At 31 December 2006	8,460

AVENUE CARS OF GLOUCESTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2007

8 Tangible fixed assets

	Investment properties £
Cost or valuation	
At 1 January 2007 & at 31 December 2007	575,000

One freehold investment property is included at a valuation based on market value of £200,000 undertaken during 2003 by Ash & Co Chartered Surveyors

The other freehold investment property is included in the accounts at director's valuation of £375,000 This is believed by the director to be equivalent to open market value

The historical cost of investment properties held at valuation is £361,615 (2006 £361,615)

The director confirms that the book value of the investment properties shown above is a true reflection of market value and therefore no revision is made to valuation of investment property

9 Stocks	2007 £	2006 £
Finished goods and goods for resale	1,280,668	1,298,147

10 Debtors	2007 £	2006 £
Trade debtors	230,001	119,110
Other debtors	227,193	114,034
Prepayments and accrued income	12,860	22,811
Deferred tax asset (see note 13)	3,787	3,787
	473,841	259,742

AVENUE CARS OF GLOUCESTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2007

11	Creditors amounts falling due within one year	2007 £	2006 £
	Bank loans and overdrafts	718,955	431,434
	Net obligations under hire purchase contracts	6,202	6,009
	Trade creditors	151,251	154,824
	Corporation tax	22,575	65,148
	Other taxes and social security costs	4,879	18,560
	Other creditors	13,242	55,039
	Accruals and deferred income	64,681	22,344
		<u>981,785</u>	<u>753,358</u>

The bank loans and overdrafts are secured by a fixed and floating charge over the assets of the Company

AVENUE CARS OF GLOUCESTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2007

12 Creditors, amounts falling due after more than one year	2007 £	2006 £
Bank loans	732,374	768,701
Net obligations under hire purchase contracts	6,819	13,262
	<u>739,193</u>	<u>781,963</u>
Analysis of loans		
Not wholly repayable by five years by instalments	766,199	800,385
	<u>766,199</u>	<u>800,385</u>
Included in current liabilities	(33,825)	(31,684)
	<u>732,374</u>	<u>768,701</u>
Instalments not due within five years	<u>572,293</u>	<u>618,972</u>
Loan maturity analysis		
In more than one year but not more than two years	36,112	33,826
In more than two years but not more than five years	123,969	115,903
In more than five years	<u>572,293</u>	<u>618,972</u>
Bank loans include the following		
Maturing April 2013, balance outstanding £79,909 (2006 £91,084), interest at 6 2% fixed rate		
Maturing June 2020, balance outstanding £105,899 (2006 £112,834), interest at 2% above base rate		
Maturing February 2027, balance outstanding £580,391 (2006 £596,467), interest at 6 25% fixed rate		
The bank loans and overdrafts are secured by a fixed and floating charge over the assets of the Company		
Net obligations under hire purchase contracts		
Repayable within one year	6,202	6,009
Repayable between one and five years	6,819	13,262
	<u>13,021</u>	<u>19,271</u>
Included in liabilities falling due within one year	(6,202)	(6,009)
	<u>6,819</u>	<u>13,262</u>

AVENUE CARS OF GLOUCESTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2007

13 Provisions for liabilities and charges

The deferred tax asset (included in debtors, note 10) is made up as follows:

	2007	
	£	
Balance at 1 January 2007 & at 31 December 2007	(3,787)	
	<u>(3,787)</u>	
	2007	2006
	£	£
Decelerated capital allowances	<u>(3,787)</u>	<u>(3,787)</u>

14 Share capital

	2007	2006
	£	£
Authorised		
100,000 Ordinary shares of £1 each	100,000	100,000
30,000 Preference shares of £1 each	30,000	30,000
	<u>130,000</u>	<u>130,000</u>
Allotted, called up and fully paid		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

15 Statement of movements on reserves

	Revaluation reserve	Profit and loss account
	£	£
Balance at 1 January 2007	220,110	1,176,455
Profit for the year	-	89,398
Dividends paid	-	(84,750)
Balance at 31 December 2007	<u>220,110</u>	<u>1,181,103</u>

Included in the revaluation reserve are amounts relating to the revaluation of investment properties amounting to £220,110 (2006 £220,110)

AVENUE CARS OF GLOUCESTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2007

16 Reconciliation of movements in shareholders' funds	2007	2006
	£	£
Profit for the financial year	89,398	120,131
Dividends	(84,750)	(42,384)
Net addition to shareholders' funds	4,648	77,747
Opening shareholders' funds	1,446,565	1,368,818
Closing shareholders' funds	1,451,213	1,446,565

17 Financial commitments

At 31 December 2007 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2008

	Other	2006
	2007	
	£	£
Operating leases which expire		
Within one year	2,015	-

18 Director's emoluments	2007	2006
	£	£
Emoluments for qualifying services	921	492

19 Transactions with directors

At 31 December 2007 N A Broady owed the company £50,345 (2006 £98,430) No interest has been charged and there are no fixed repayment terms The maximum amount outstanding during the year was £98,430 (2006 £98,430)

N A Broady has provided a personal guarantee of £200,000 and has provided his private residence as security in respect of the bank borrowings of the company

AVENUE CARS OF GLOUCESTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2007

20 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2007 Number	2006 Number
Sales	2	2
Administration	3	3
Workshop	2	2
	<u>7</u>	<u>7</u>

Employment costs

	2007 £	2006 £
Wages and salaries	199,582	148,999
Social security costs	18,528	14,815
Other pension costs - defined contribution	3,000	12,150
	<u>221,110</u>	<u>175,964</u>

21 Control

The company is controlled by Mr N A Broady