

BURTON (BRIDGEND) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 1998



BURTON (BRIDGEND) LIMITED

FINANCIAL STATEMENTS

For the year ended 31 December 1998

Company registration number:	2983192
Registered office:	6th Floor Thavies Inn House 3 - 4 Holborn Circus LONDON EC1N 2HL
Directors:	Motors Directors Limited S R Burton
Secretary:	Motors Secretaries Limited
Bankers:	Royal Bank of Scotland 27 Park Row LEEDS LS1 5QB
Solicitors:	Geisler Laws Manning 6th Floor Thavies Inn House 3-4 Holborn Circus LONDON EC1 2HL
Auditors:	Grant Thornton Registered auditors Chartered accountants 11/13 Penhill Road Cardiff CF1 9UP

BURTON (BRIDGEND) LIMITED

FINANCIAL STATEMENTS

For the year ended 31 December 1998

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BURTON (BRIDGEND) LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 31 December 1998.

Principal activities

The company is principally engaged in the purchasing, selling and repairing of motor vehicles and other ancillary services.

Business review

1998 started well with sales and profit ahead of plan in the first quarter. Trading conditions deteriorated throughout the remainder of the year and the expanded sales operations were badly affected.

The comments made last year may be mirrored in 1998 with disappointing results in vehicle sales and after sales other than our parts operation that produced a record profit performance.

Stocks were doubled shortly before a dramatic, nation-wide downturn in used vehicle sales resulted in unprecedented depreciation in market values. The knock-on effect of the depreciating value of used cars was to further depress this volatile market. New car sales were reminiscent of the 1980's with fierce manufacturer competition in the final quarter and heavy discounting to maintain market share. Grey imports and the now transparent disparity between British and continental vehicle prices further depressed our traditional market.

The welcome but unexpected drop in interest rates and reducing prices of consumer goods recognises the weakness in high street spending. The motor trades are usually the first to feel the cold wind of recession with increases in fuel and road fund licence adding to the problem. Depressions such as these are usually followed with an equally dramatic upturn due to a latent period of demand.

The final out-turns include substantial provision for the depreciating used vehicle stock. Stocks were reduced toward the end of the year and will remain at the lower level until market conditions improve.

Our commitment to training continues as does keeping pace with technology. Further computer upgrades and Y2K compliance have been completed.

The outlook for 1999 is difficult to assess. Early indications are not encouraging but it is anticipated that, as we approach the millennium, euphoria will rejuvenate the economy and we are well placed to exploit any opportunity. Expense reduction, efficiency and enhanced reputation through excellent customer care are some of the main aims for the year.

As always, my sincere thanks to all those loyal members of the management and staff.

There was a loss for the year after taxation amounting to £130,909 (1997: loss £85,128). The directors do not recommend payment of a dividend.

BURTON (BRIDGEND) LIMITED

REPORT OF THE DIRECTORS

Directors

The present membership of the Board is set out below. In accordance with the Articles of Association S R Burton retires by rotation and being eligible offers himself for re-election.

The interests of the directors and their families in the shares of the company as at 31 December 1998 and 1 January 1998 were as follows:

	Ordinary shares		Preference shares	
	31 December 1998	1 January 1998	31 December 1998	1 January 1998
Motors Directors Limited	-	-	-	-
S R Burton	150,000	150,000	1	1

Motors Directors Limited is a company related to Vauxhall Motors Limited who own all the remaining preference shares at 31 December 1998 and 1 January 1998.

Directors' responsibilities for the financial statements

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Year 2000 Compliance

Many computer systems which express dates using only the last two digits of the year may malfunction due to the date change to the Year 2000. This risk to the business relates not only to the company's computer systems, but also to some degree on those of the company's customers and suppliers.

The company has reviewed its computer systems for the impact of the Year 2000 date change. An impact analysis has been prepared to identify the major risks, and action plans have been developed to address these in advance of critical dates. The plans give priority to the systems which could have a significant financial or legal impact if they were to fail.

The company has requested from major customers, suppliers and other trading partners with whom information is traded electronically, confirmation that their relevant systems are Year 2000 compliant.

The issue is complex, and no business can guarantee that there will be no Year 2000 problems. However, the Board believes that its plans and the resources allocated are appropriate and adequate to address the issue.

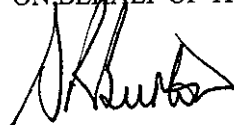
BURTON (BRIDGEND) LIMITED

REPORT OF THE DIRECTORS

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to read 'S R Burton', is written over the text 'ON BEHALF OF THE BOARD'.

S R Burton
Director
24 March 1999

**REPORT OF THE AUDITORS TO THE MEMBERS OF
BURTON (BRIDGEND) LIMITED**

We have audited the financial statements on pages 5 to 18 which have been prepared under the accounting policies set out on pages 5 to 6.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

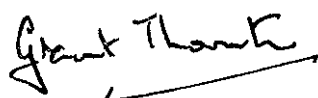
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1998 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

CARDIFF
24 March 1999

BURTON (BRIDGEND) LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared on a going concern basis. This is dependant on the continued support of Vauxhall Motors Limited which the directors believe will be forthcoming.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

TURNOVER

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

DEPRECIATION

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets other than freehold land by equal annual instalments over their expected useful lives. The rates generally applicable are:

Freehold buildings	2%
Plant and machinery	10%
Fixtures and fittings	10%
Computer equipment	20%

INTANGIBLE FIXED ASSETS

Purchased goodwill is amortised on a straight-line basis over its estimated useful economic life of 10 years as shown in note 5.

STOCKS

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

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

Where supply agreements do not provide risks and rewards to the company until such time as legal title actually passes at the end of the consignment period, these stocks are not included in the balance sheet. Both the terms under which stocks are held and the financial commitment in respect of these stocks are disclosed in the notes to the financial statements.

DEFERRED TAXATION

Deferred tax is provided for using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

Debit balances arising in respect of advance corporation tax on dividends payable or proposed are carried forward to the extent that they are expected to be recoverable.

CONTRIBUTIONS TO PENSION FUNDS

Defined contribution scheme

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

BURTON (BRIDGEND) LIMITED

PRINCIPAL ACCOUNTING POLICIES

LEASED ASSETS

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

MOTABILITY REPURCHASE ARRANGEMENTS

The company has certain obligations to repurchase vehicles at predetermined residual prices upon the expiry of the contracts, usually after three years, under agreements with Motability Finance Limited. The assets and corresponding liabilities have been disclosed in the balance sheet at the repurchase price. Where there is no obligation to repurchase vehicles, no disclosure is made.

BURTON (BRIDGEND) LIMITED**PROFIT AND LOSS ACCOUNT**

For the year ended 31 December 1998

	Note	1998 £	1997 £
Turnover	1	12,815,742	12,001,524
Cost of sales		11,032,820	10,280,913
Gross profit		1,782,922	1,720,611
Administrative expenses		1,894,272	1,841,189
Other operating income		(168,843)	(173,589)
Operating profit		57,493	53,011
Interest payable and similar charges	2	188,402	138,139
Loss on ordinary activities before taxation	1	(130,909)	(85,128)
Tax on loss on ordinary activities	4	-	-
Loss transferred from reserves	12	(130,909)	(85,128)

There were no recognised gains or losses other than the loss for the financial year.

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

BURTON (BRIDGEND) LIMITED

BALANCE SHEET AT 31 DECEMBER 1998

	Note	1998 £	1997 £
Fixed assets			
Intangible assets	5	60,000	70,000
Tangible assets	6	1,314,812	1,239,900
		<u>1,374,812</u>	<u>1,309,900</u>
Current assets			
Stocks	7	3,991,514	3,792,710
Debtors	8	512,576	525,035
Cash at bank and in hand		81	80
		<u>4,504,171</u>	<u>4,317,825</u>
Creditors: amounts falling due within one year	9	<u>2,218,147</u>	<u>2,331,305</u>
Net current assets		<u>2,286,024</u>	<u>1,986,520</u>
Total assets less current liabilities		<u>3,660,836</u>	<u>3,296,420</u>
Creditors: amounts falling due after more than one year	10	<u>3,175,262</u>	<u>2,679,937</u>
		<u>485,574</u>	<u>616,483</u>
Capital and reserves			
Called up share capital	11	808,000	808,000
Profit and loss account	12	(322,426)	(191,517)
Shareholders' funds	13	<u>485,574</u>	<u>616,483</u>
Equity shareholders' funds		<u>(172,426)</u>	<u>(41,517)</u>
Non-equity shareholders' funds		<u>658,000</u>	<u>658,000</u>
		<u>485,574</u>	<u>616,483</u>

The financial statements were approved by the Board of Directors on 24 March 1999.

S R Burton



Director

Motors Directors Limited



Director

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

BURTON (BRIDGEND) LIMITED**CASH FLOW STATEMENT**

For the year ended 31 December 1998

	Note	1998 £	1997 £
Net cash inflow from operating activities	14	68,288	166,903
Returns on investments and servicing of finance			
Interest paid		(181,940)	(136,120)
Finance lease interest paid		(6,462)	(2,019)
Net cash outflow from returns on investments and servicing of finance		(188,402)	(138,139)
Capital expenditure			
Purchase of tangible fixed assets		(79,901)	(42,993)
Net cash outflow from capital expenditure		(79,901)	(42,993)
Financing			
Receipts from borrowings		305,000	-
Repayment of borrowings		(99,510)	(26,722)
Capital element of finance lease rentals		(30,401)	(25,850)
Net cash inflow/(outflow) from financing		175,089	(52,572)
Decrease in cash		(24,926)	(66,801)

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

BURTON (BRIDGEND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1998

1 TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and loss before taxation are attributable to the purchasing, selling and repairing of motor vehicles and other ancillary services.

The loss on ordinary activities is stated after:

	1998 £	1997 £
Auditors' remuneration	6,600	6,600
Depreciation and amortisation:		
Goodwill	10,000	10,000
Tangible fixed assets, owned	33,573	27,403
Tangible fixed assets, held under finance leases and hire purchase contracts	17,063	9,554
Other operating lease rentals	6,732	5,080
	<u>168,843</u>	<u>173,589</u>
Other operating income includes:		
Manufacturers receivables		

2 INTEREST PAYABLE AND SIMILAR CHARGES

	1998 £	1997 £
On bank loans and overdrafts	85,136	73,733
Finance charges in respect of finance leases	6,462	2,019
Interest payable to group undertakings	96,804	62,387
	<u>188,402</u>	<u>138,139</u>

3 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	1998 £	1997 £
Wages and salaries	1,037,713	948,164
Social security costs	109,269	88,312
Other pension costs	-	320
	<u>1,146,982</u>	<u>1,036,796</u>

BURTON (BRIDGEND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1998

The average number of employees of the company during the year were as follows:

	1998 Number	1997 Number
Mechanical	22	24
Selling and distribution	11	10
Administration	23	23
Management	8	8
	<u>64</u>	<u>65</u>

Remuneration in respect of directors was as follows:

	1998 £	1997 £
Emoluments	<u>64,433</u>	<u>57,729</u>

The amounts set out above include remuneration in respect of the highest paid directors as follows:

	1998 £	1997 £
Emoluments	<u>64,433</u>	<u>57,729</u>

4 TAX ON LOSS ON ORDINARY ACTIVITIES

No tax liability arises due to the availability of loss relief.

5 INTANGIBLE FIXED ASSETS

	Purchased goodwill £
Cost	
At 1 January 1998 and at 31 December 1998	<u>100,000</u>
Amortisation	
At 1 January 1998	30,000
Charge for the year	10,000
	<u>40,000</u>
At 31 December 1998	
	<u>60,000</u>
Net book amount at 31 December 1998	
	<u>70,000</u>
Net book amount at 31 December 1997	

BURTON (BRIDGEND) LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 1998

6 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 January 1998	1,069,001	125,148	94,751	35,874	1,324,774
Additions	37,231	22,744	7,478	58,095	125,548
At 31 December 1998	1,106,232	147,892	102,229	93,969	1,450,322
Depreciation					
At 1 January 1998	22,675	26,715	23,767	11,717	84,874
Provided in the year	9,777	14,404	10,369	16,086	50,636
At 31 December 1998	32,452	41,119	34,136	27,803	135,510
Net book amount at 31 December 1998	<u>1,073,780</u>	<u>106,773</u>	<u>68,093</u>	<u>66,166</u>	<u>1,314,812</u>
Net book amount at 31 December 1997	<u>1,046,326</u>	<u>98,433</u>	<u>70,984</u>	<u>24,157</u>	<u>1,239,900</u>

The figures stated above include assets held under finance leases and similar hire purchase contracts, as follows:

	Plant and machinery £	Fixtures and fittings £	Computer equipment £
Net book amount at 31 December 1998	<u>43,403</u>	<u>14,265</u>	<u>39,378</u>
Net book amount at 31 December 1997	<u>50,022</u>	<u>16,211</u>	<u>2,229</u>
Depreciation provided during year	<u>6,619</u>	<u>1,946</u>	<u>8,498</u>

7 STOCKS

	1998 £	1997 £
Consignment stock	170,091	368,409
Short-term work in progress	7,091	7,845
Finished goods and goods for resale	1,080,448	933,485
Motability repurchase commitment vehicles	2,733,884	2,482,971
	<u>3,991,514</u>	<u>3,792,710</u>

The company has an obligation to repurchase vehicles under agreements with Motability Finance Limited, such repurchase is usually required after three years. The assets and corresponding liabilities have been recorded at the repurchase price. The value of repurchase vehicles due after more than one year is £2,063,566 (1997: £1,735,746).

BURTON (BRIDGEND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1998

Consignment vehicles included in the balance sheet relate to categories of stock where allocation has in principal been made to customer order. All other consignment vehicles are available for allocation to other Vauxhall Retailers. Vehicles excluded from the Balance Sheet at 31 December 1998 totalled £1,002,692 (1997: £669,513)

8 DEBTORS

	1998 £	1997 £
Trade debtors	327,425	339,527
Amounts owed by group undertakings	144,190	153,756
Prepayments and accrued income	40,961	31,752
	<u>512,576</u>	<u>525,035</u>

An analysis of amounts owed by group undertakings, being related parties, is as follows:

	1998 £	1997 £
Vehicle related transactions due from Vauxhall Motors Limited	120,569	135,275
Vehicle related transactions due from General Motors Acceptance Corporation	23,621	18,481
	<u>144,190</u>	<u>153,756</u>

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1998 £	1997 £
Bank loan and overdraft	147,116	117,189
Trade creditors	232,560	508,387
Amounts owed to group undertakings	1,006,734	794,903
Motability repurchase commitments	670,318	747,225
Social security and other taxes	45,449	47,039
Other creditors	6,169	6,490
Deferred income	51,000	-
Accruals	37,495	85,997
Amounts due under finance leases	21,306	24,075
	<u>2,218,147</u>	<u>2,331,305</u>

The bank overdraft is secured by a fixed and floating charge over all of the company's assets.

BURTON (BRIDGEND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1998

An analysis of amounts owed to group undertakings, being related parties, is as follows:

	1998 £	1997 £
Vehicle related transactions due to General Motors Acceptance Corporation	573,408	312,190
Consignment vehicles on a General Motors Acceptance Corporation plan	170,091	368,409
General Motors Acceptance Corporation short term loan on commercial terms	50,000	-
Vehicle related transactions due to Vauxhall Motors Limited	213,235	114,304
	<u>1,006,734</u>	<u>794,903</u>

Trade creditors include amounts due under vehicle finance arrangements of £Nil (1997: £318,670) effectively secured against the relevant vehicle stocks.

10 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1998 £	1997 £
Bank loan	592,118	621,128
Amounts owed to group undertakings	315,000	315,000
Motability repurchase commitments	2,063,566	1,735,746
Deferred income	178,500	-
Amounts due under finance leases	26,078	8,063
	<u>3,175,262</u>	<u>2,679,937</u>

Motability repurchase commitments are spread monthly throughout financial periods.

Bank loan

The bank loan is secured by a legal charge over the company's freehold property. The bank loan carries interest at commercial rates and is repayable in equal monthly instalments over a period in excess of 10 years.

An analysis of amounts owed to group undertakings, being related parties, is as follows:

	1998 £	1997 £
Vauxhall Motors Limited loan	<u>315,000</u>	<u>315,000</u>

The Vauxhall Motors Limited loan becomes repayable when 80% of the dealer franchise has been acquired. Interest is payable at commercial rates. The loan is secured by a second legal charge over the freehold property.

BURTON (BRIDGEND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1998

Borrowings are repayable as follows:	1998 £	1997 £
Within one year		
Bank and other borrowings	198,116	117,189
Finance leases	21,306	24,075
After one and within two years		
Bank and other borrowings	216,767	36,267
Finance leases	9,586	8,063
After two and within five years		
Bank and other borrowings	114,801	108,801
Finance leases	16,492	-
After five years		
Bank and other borrowings	439,050	476,060
	<u>1,016,118</u>	<u>770,455</u>
Bank and other borrowings repayable after five years comprise:	1998 £	1997 £
Bank loan	<u>439,050</u>	<u>476,060</u>

11 SHARE CAPITAL

	1998 £	1997 £
Authorised		
150,000 ordinary £1 shares	150,000	150,000
658,000 preference £1 shares	658,000	658,000
	<u>808,000</u>	<u>808,000</u>
Allotted, called up and fully paid		
150,000 ordinary £1 shares	150,000	150,000
658,000 preference £1 shares	658,000	658,000
	<u>808,000</u>	<u>808,000</u>

Rights

Preference shares

The redeemable preference shares are non-equity shares. The basic entitlement to a dividend at the rate of 1% net per share is waived, and instead these shares are entitled to a balance of any post tax profits remaining after redemption of the preference shares in accordance with the formula included in the company's Articles of Association. The redemption is made quarterly. Holders of preference shares have one vote for every share held. The rights of preference shareholders on winding up are dependant upon a calculation determining funds in excess of 85% of the original total share capital, and such rights are ranked before those of ordinary shareholders.

BURTON (BRIDGEND) LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 1998

Ordinary shares

The ordinary shares carry no voting rights until all preference shares have been redeemed.

12 RESERVES

	Profit and loss account £
At 1 January 1998	(191,517)
Retained loss for the year	(130,909)
At 31 December 1998	<u>(322,426)</u>

13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1998 £	1997 £
Loss for the financial year	(130,909)	(85,128)
Net decrease in shareholders' funds	(130,909)	(85,128)
Shareholders' funds at 1 January 1998	616,483	701,611
Shareholders' funds at 31 December 1998	<u>485,574</u>	<u>616,483</u>

14 NET CASH INFLOW FROM OPERATING ACTIVITIES

	1998 £	1997 £
Operating profit	57,493	53,011
Depreciation and amortisation	60,636	46,957
Increase in stocks	(198,804)	(159,830)
Decrease/(increase) in debtors	12,459	(166,959)
Increase in creditors	136,504	393,724
Net cash inflow from continuing operating activities	<u>68,288</u>	<u>166,903</u>

BURTON (BRIDGEND) LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 1998

15 ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 1998 £	Cash flow £	Non - cash items £	At 31 December 1998 £
Cash in hand, at bank	80	1	-	81
Overdraft	(83,922)	(24,927)	-	(108,849)
Debt	(654,395)	(205,490)	-	(859,885)
Finance leases	(32,138)	30,401	(45,647)	(47,384)
	<u>(770,375)</u>	<u>(200,015)</u>	<u>(45,647)</u>	<u>(1,016,037)</u>

16 MAJOR NON-CASH TRANSACTIONS

During the year the company entered into finance lease arrangements in respect of assets with a total capital value at the inception of the leases of £45,647 (1997:£Nil).

17 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	1998 £	1997 £
Decrease in cash in the year	(24,926)	(66,801)
Cash inflow/(outflow) from financing in the year	(205,490)	26,722
Cash outflow from finance leases in the year	30,401	25,850
Change in net debt resulting from cashflows	<u>(200,015)</u>	<u>(14,229)</u>
Inception of finance leases	(45,647)	-
Movement in net debt in the year	<u>(245,662)</u>	<u>(14,229)</u>
Net debt at 1 January 1998	<u>(770,375)</u>	<u>(756,146)</u>
Net debt at 31 December 1998	<u>(1,016,037)</u>	<u>(770,375)</u>

18 CAPITAL COMMITMENTS

The company had no capital commitments at 31 December 1998 or 31 December 1997.

19 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 1998 or 31 December 1997.

BURTON (BRIDGEND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1998

20 LEASING COMMITMENTS

Operating lease payments amounting to £1,599 (1997:£7,295) are due within one year. The leases to which these amounts relate expire as follows:

	1998 Other £	1997 Other £
In one year or less	-	5,696
Between one and five years	1,599	1,599

21 TRANSACTIONS WITH RELATED PARTIES

The transactions with related parties during the year were as follows:

Name of related party	Value of transactions		Amounts written off or provided in the year £
	1998 £	1997 £	
Vauxhall Motors Limited. Subsidiary of General Motors Corporation - vehicle related sales transactions.	615,341	670,820	-
Vauxhall Motors Limited. Subsidiary of General Motors Corporation - vehicle related purchase transactions.	1,536,821	1,748,644	-
General Motors Acceptance Corporation. Subsidiary of General Motors Corporation - vehicle financing sales transactions.	1,701,818	1,913,131	-
General Motors Acceptance Corporation. Subsidiary of General Motors Corporation - vehicle related purchase transactions.	5,107,555	5,484,001	-
Fellow-controlled retailers. Subsidiaries of General Motors Corporation - vehicle related sales transactions.	29,282	-	-
Fellow-controlled retailers. Subsidiaries of General Motors Corporation - vehicle related purchase transactions.	-	15,403	-

22 CONTROLLING RELATED PARTY

The directors consider that the ultimate parent undertaking of this company is General Motors Corporation incorporated in the United States of America.

Vauxhall Motors Limited is the company's controlling related party by virtue of its holding of redeemable preference shares. The ultimate controlling related party of the company is General Motors Corporation, as a result of Vauxhall Motors Limited being one of its subsidiary companies.

On the grounds of materiality, no group accounts have been drawn up which include this company's results.