

Abbreviated Accounts for the Year Ended 31 December 2008

for

ALM Garages Limited



ALM Garages Limited

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for the Year Ended 31 December 2008

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ALM Garages Limited

Company Information

for the Year Ended 31 December 2008

DIRECTORS:

A J Merifield
P C Marlow

SECRETARY:

Mrs A J Bell

REGISTERED OFFICE:

Chester House
68 Chestergate
Macclesfield
Cheshire
SK11 6DY

REGISTERED NUMBER:

03008553 (England and Wales)

AUDITORS:

Harts LLP
Chartered Accountants &
Registered Auditors
Chester House
68 Chestergate
Macclesfield
Cheshire
SK11 6DY

ALM Garages Limited

Report of the Directors
for the Year Ended 31 December 2008

The directors present their report with the accounts of the company for the year ended 31 December 2008.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a Honda and Hyundai motor franchise.

REVIEW OF BUSINESS

The directors confirm the financial results shown on page 5. The substantial decline in the retail market place during 2008 had a significant impact on turnover and gross profit contribution.

Substantial reductions in departmental direct expenses and general overheads have been achieved going forward into 2009, together with substantial reductions in manufacturer targets.

The directors are confident that these reductions will lead to a significant financial improvement in 2009 and enable the company to prosper despite the continued harsh economic climate.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2008.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2008 to the date of this report.

A J Merifield
P C Marlow

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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 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 these 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;
- 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 keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) 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 in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ALM Garages Limited

Report of the Directors
for the Year Ended 31 December 2008

AUDITORS

The auditors, Harts LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'P. C. Marlow', with a stylized flourish at the end.

P C Marlow - Director

14 August 2009

Report of the Independent Auditors to
ALM Garages Limited
Under Section 247B of the Companies Act 1985

We have examined the abbreviated accounts set out on pages five to seventeen, together with the financial statements of ALM Garages Limited for the year ended 31 December 2008 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The Special Auditor's Report on Abbreviated Accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.

Harts LLP

Harts LLP
Chartered Accountants &
Registered Auditors
Chester House
68 Chestergate
Macclesfield
Cheshire
SK11 6DY

19 August 2009

ALM Garages Limited

Abbreviated Profit and Loss Account
for the Year Ended 31 December 2008

	Notes	31.12.08 £	31.12.07 £
GROSS PROFIT		227,598	304,524
Administrative expenses		<u>356,558</u>	<u>363,686</u>
OPERATING LOSS	3	(128,960)	(59,162)
Interest receivable and similar income		<u>796</u>	<u>-</u>
		(128,164)	(59,162)
Interest payable and similar charges	4	<u>37,118</u>	<u>41,140</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(165,282)	(100,302)
Tax on loss on ordinary activities	5	<u>(11,003)</u>	<u>(17,848)</u>
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		<u><u>(154,279)</u></u>	<u><u>(82,454)</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

ALM Garages Limited

Statement of Total Recognised Gains and Losses
for the Year Ended 31 December 2008

	31.12.08 £	31.12.07 £
LOSS FOR THE FINANCIAL YEAR	(154,279)	(82,454)
Unrealised surplus on revaluation of properties	-	94,766
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>(154,279)</u>	<u>12,312</u>

Note of Historical Cost Profits and Losses
for the Year Ended 31 December 2008

	31.12.08 £	31.12.07 £
REPORTED LOSS		
ON ORDINARY ACTIVITIES BEFORE TAXATION	(165,282)	(100,302)
Depreciation charge	11,396	12,141
HISTORICAL COST LOSS		
ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>(153,886)</u>	<u>(88,161)</u>
HISTORICAL COST LOSS		
FOR THE YEAR RETAINED AFTER TAXATION	<u>(142,883)</u>	<u>(70,313)</u>

The notes form part of these abbreviated accounts

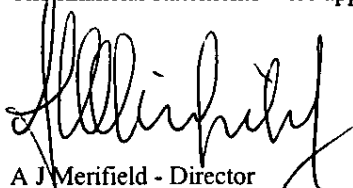
ALM Garages Limited

Abbreviated Balance Sheet
31 December 2008

	Notes	31.12.08 £	£	31.12.07 £	£
FIXED ASSETS					
Tangible assets	6		1,289,255		1,318,028
CURRENT ASSETS					
Stocks	7	1,090,680		1,289,074	
Debtors	8	150,834		169,264	
Cash at bank and in hand		522		152	
		1,242,036		1,458,490	
CREDITORS					
Amounts falling due within one year	9	1,310,334		1,372,123	
NET CURRENT (LIABILITIES)/ASSETS			(68,298)		86,367
TOTAL ASSETS LESS CURRENT LIABILITIES			1,220,957		1,404,395
CREDITORS					
Amounts falling due after more than one year	10		402,826		431,985
NET ASSETS			818,131		972,410
CAPITAL AND RESERVES					
Called up share capital	15		100,002		100,002
Share premium	16		100,000		100,000
Revaluation reserve	16		679,078		690,474
Profit and loss account	16		(60,949)		81,934
SHAREHOLDERS' FUNDS	17		818,131		972,410

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The financial statements were approved by the Board of Directors on 14 August 2009 and were signed on its behalf by:



A J Merifield - Director

The notes form part of these abbreviated accounts

ALM Garages Limited

Cash Flow Statement
for the Year Ended 31 December 2008

		31.12.08		31.12.07	
	Notes	£	£	£	£
Net cash (outflow)/inflow from operating activities	1		(21,026)		149,014
Returns on investments and servicing of finance	2		(36,322)		(41,140)
Taxation			2,960		(7,102)
Capital expenditure	2		(9,146)		(9,446)
			<u>(63,534)</u>		<u>91,326</u>
Financing	2		(28,971)		(23,822)
(Decrease)/Increase in cash in the period			<u>(92,505)</u>		<u>67,504</u>
<hr/>					
Reconciliation of net cash flow to movement in net debt	3				
(Decrease)/Increase in cash in the period		(92,505)		67,504	
Cash outflow from decrease in debt and lease financing		<u>30,110</u>		<u>23,822</u>	
Change in net debt resulting from cash flows			<u>(62,395)</u>		<u>91,326</u>
Movement in net debt in the period			(62,395)		91,326
Net debt at 1 January			<u>(519,195)</u>		<u>(610,521)</u>
Net debt at 31 December			<u>(581,590)</u>		<u>(519,195)</u>

The notes form part of these abbreviated accounts

Notes to the Cash Flow Statement
for the Year Ended 31 December 2008

1. **RECONCILIATION OF OPERATING LOSS TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES**

	31.12.08	31.12.07
	£	£
Operating loss	(128,960)	(59,162)
Depreciation charges	37,919	39,215
Decrease/(Increase) in stocks	198,394	(130,714)
Decrease in debtors	26,473	66,854
(Decrease)/Increase in creditors	(154,852)	232,821
Net cash (outflow)/inflow from operating activities	(21,026)	149,014

2. **ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	31.12.08	31.12.07
	£	£
Returns on investments and servicing of finance		
Interest received	796	-
Interest paid	(34,997)	(38,607)
Interest element of hire purchase payments	(2,121)	(2,533)
Net cash outflow for returns on investments and servicing of finance	(36,322)	(41,140)
 Capital expenditure		
Purchase of tangible fixed assets	(9,146)	(9,446)
Net cash outflow for capital expenditure	(9,146)	(9,446)
 Financing		
Loan repayments in year	(24,940)	(18,663)
Capital repayments in year	(5,170)	(5,159)
Amount introduced by directors	1,139	-
Net cash outflow from financing	(28,971)	(23,822)

ALM Garages Limited

Notes to the Cash Flow Statement
for the Year Ended 31 December 2008

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.08 £	Cash flow £	At 31.12.08 £
Net cash:			
Cash at bank and in hand	152	370	522
Bank overdraft	(63,529)	(92,875)	(156,404)
	<u>(63,377)</u>	<u>(92,505)</u>	<u>(155,882)</u>
Debt:			
Hire purchase	(16,125)	5,170	(10,955)
Debts falling due within one year	(18,663)	(1,004)	(19,667)
Debts falling due after one year	(421,030)	25,944	(395,086)
	<u>(455,818)</u>	<u>30,110</u>	<u>(425,708)</u>
Total	<u>(519,195)</u>	<u>(62,395)</u>	<u>(581,590)</u>

The notes form part of these abbreviated accounts

Notes to the Abbreviated Accounts
for the Year Ended 31 December 2008

1. **ACCOUNTING POLICIES**

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is recognised when the company obtains the right to consideration.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Freehold property	- Straight line over 50 years
Plant and machinery	- 3 - 15 years
Fixtures and fittings	- 10% on cost

The company operates a policy of revaluation of freehold property in accordance with FRS15. The company makes a reserve transfer between the revaluation reserve and retained profit. The value transferred is the excess depreciation charged in the year for the revalued property over the depreciation charged if the property was held at historic cost.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Interest bearing consignment stock is included within stocks in accordance with FRS 5.

Deferred tax

The charge for taxation is based on the profit or loss 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.

Hire purchase and leasing commitments

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

2. **STAFF COSTS**

	31.12.08	31.12.07
	£	£
Wages and salaries	<u>121,366</u>	<u>119,742</u>

The average monthly number of employees during the year was as follows:

	31.12.08	31.12.07
Sales and operatives	20	19
Management and administration	7	10
	<u>27</u>	<u>29</u>

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2008

3. **OPERATING LOSS**

The operating loss is stated after charging:

	31.12.08	31.12.07
	£	£
Hire of plant and machinery	2,065	942
Depreciation - owned assets	37,919	39,215
Auditors' remuneration	11,500	15,450
	<u> </u>	<u> </u>
Directors' emoluments	96,374	89,984
	<u> </u>	<u> </u>

4. **INTEREST PAYABLE AND SIMILAR CHARGES**

	31.12.08	31.12.07
	£	£
Bank interest	7,755	7,215
Mortgage	27,242	31,392
Hire purchase	2,121	2,533
	<u> </u>	<u> </u>
	37,118	41,140
	<u> </u>	<u> </u>

5. **TAXATION**

Analysis of the tax credit

The tax credit on the loss on ordinary activities for the year was as follows:

	31.12.08	31.12.07
	£	£
Current tax:		
years	(13,016)	(3,207)
	<u> </u>	<u> </u>
Deferred tax:		
Deferred tax	2,013	(15,020)
Adjustment in respect of prior year	-	379
	<u> </u>	<u> </u>
Total deferred tax	2,013	(14,641)
	<u> </u>	<u> </u>
Tax on loss on ordinary activities	(11,003)	(17,848)
	<u> </u>	<u> </u>

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2008

6. **TANGIBLE FIXED ASSETS**

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 January 2008	1,200,000	243,291	31,758	1,475,049
Additions	-	8,571	575	9,146
At 31 December 2008	1,200,000	251,862	32,333	1,484,195
DEPRECIATION				
At 1 January 2008	-	129,006	28,015	157,021
Charge for year	20,669	16,527	723	37,919
At 31 December 2008	20,669	145,533	28,738	194,940
NET BOOK VALUE				
At 31 December 2008	1,179,331	106,329	3,595	1,289,255
At 31 December 2007	1,200,000	114,285	3,743	1,318,028

The freehold property and long leasehold land valuation was performed by Greenham Partnership, independent chartered surveyors on 3 January 2008 in accordance with RICS Appraisal and Valuation Standards. The directors are satisfied that this valuation is representative of the open market value of the freehold property and long leasehold land at the year end on an existing use basis. The net book value of the freehold property is £535,135 (2007 - £550,000) and the net book value of the long leasehold land is £644,196 (2007 - £650,000).

The historical cost of the the freehold property is £384,584 (2007 - £384,584) and the net book value on the historical costs basis is £284,587 (2007 - £292,279). The historical cost of the long leasehold land is £197,500 (2007 - £197,500) and the net book value on the historical cost basis is £176,760 (2007 - £179,920).

Included in plant and machinery are assets on hire purchase. The net book value of these assets at the year end was £18,389 (2007 - £21,548) and depreciation charged on these assets for the year was £3,159 (2007 - £2,551).

7. **STOCKS**

	31.12.08 £	31.12.07 £
Stocks	1,090,680	1,289,074

Included in stock is £95,425 (2007 - £113,938) relating to interest bearing consignment stock of new vehicles. Excluded from stock is non-interest bearing consignment stocks of new vehicles of £184,815 (2007 - £106,250).

The nature of the consignment stock arrangement is as follows:

1. Title to ownership passes at the point of sale,
2. No deposit is payable for stock items, and
3. Interest is charged after a 40 day free stocking period for Hyundai vehicles and a 120 day free stocking for Honda vehicles.

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2008

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.08	31.12.07
	£	£
Trade debtors	93,795	156,066
Tax	10,056	-
Deferred tax asset	101	2,114
Prepayments and accrued income	46,882	11,084
	<u>150,834</u>	<u>169,264</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.08	31.12.07
	£	£
Bank loans and overdrafts (see note 11)	176,071	82,192
Hire purchase contracts (see note 12)	3,215	5,170
Trade creditors	1,064,550	1,184,416
Social security and other taxes	49,953	47,539
Other creditors	525	-
Directors' current accounts	1,139	-
Accruals and deferred income	14,881	52,806
	<u>1,310,334</u>	<u>1,372,123</u>

Included within trade creditors are loans from vehicle manufacturers of £983,156 (2007 - £974,694). These loans are secured on the vehicles to which they relate.

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.12.08	31.12.07
	£	£
Bank loans (see note 11)	395,086	421,030
Hire purchase contracts (see note 12)	7,740	10,955
	<u>402,826</u>	<u>431,985</u>

11. LOANS

An analysis of the maturity of loans is given below:

	31.12.08	31.12.07
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	156,404	63,529
Bank loans	19,667	18,663
	<u>176,071</u>	<u>82,192</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>19,667</u>	<u>18,663</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>59,001</u>	<u>55,989</u>

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2008

11. **LOANS - continued**

	31.12.08 £	31.12.07 £
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>316,418</u>	<u>346,378</u>

12. **OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES**

	31.12.08 £	Hire purchase contracts 31.12.07 £
Net obligations repayable:		
Within one year	3,215	5,170
Between one and five years	<u>7,740</u>	<u>10,955</u>
	<u>10,955</u>	<u>16,125</u>

The following operating lease payments are committed to be paid within one year:

	31.12.08 £	Other operating leases 31.12.07 £
Expiring:		
Between one and five years	<u>2,400</u>	<u>-</u>

13. **SECURED DEBTS**

The following secured debts are included within creditors:

	31.12.08 £	31.12.07 £
Bank overdrafts	156,404	63,529
Bank loans	414,753	439,693
Hire purchase contracts	<u>10,955</u>	<u>16,125</u>
	<u>582,112</u>	<u>519,347</u>

The overdraft of £156,404 (2007 - £63,529) is secured by means of a fixed and floating charge over the assets of the company. This overdraft is repayable within one year.

The bank loan is secured by means of a fixed and floating charge over the assets of the company. This loan is repayable over 15 years in equal monthly instalments, at a variable interest rate of 1.75% above the lenders base rate.

Obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2008

14. DEFERRED TAX

	£
Balance at 1 January 2008	(2,114)
Movement in year	2,013
	<u>(101)</u>
Balance at 31 December 2008	<u>(101)</u>

In accordance with FRS 19 'Deferred Tax', no deferred tax has been recognised in respect of the revalued property as no binding sale agreement is in place for the sale of this asset. The potential unprovided deferred tax liability is approximately £131,000 (2007: 131,000)

15. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	31.12.08	31.12.07
			£	£
200,000	Ordinary	£1	<u>200,000</u>	<u>200,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.12.08	31.12.07
			£	£
100,002	Ordinary	£1	<u>100,002</u>	<u>100,002</u>

16. RESERVES

	Profit and loss account £	Share premium £	Revaluation reserve £	Totals £
At 1 January 2008	81,934	100,000	690,474	872,408
Deficit for the year	(154,279)			(154,279)
Transfer of excess depreciation on revalued assets	11,396	-	(11,396)	-
At 31 December 2008	<u>(60,949)</u>	<u>100,000</u>	<u>679,078</u>	<u>718,129</u>

17. RELATED PARTY DISCLOSURES

Included within other creditors is a balance of £1,139 due to Mr A Merifield, a director.

18. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Andrew Merifield, a director and 25% shareholder of the company.

ALM Garages Limited

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2008

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.12.08	31.12.07
	£	£
Loss for the financial year	(154,279)	(82,454)
Other recognised gains and losses relating to the year (net)	-	94,766
Net (reduction)/addition to shareholders' funds	(154,279)	12,312
Opening shareholders' funds	972,410	960,098
Closing shareholders' funds	818,131	972,410