AAVACAR LTD.
Self Drive Car Hire/Taxis
For the Period of 01/10/2007 to 30/09/2008

Company Secretary Report

During 2007/2008 the self-drive hire again expanded with 3 extra vehicles purchased. A Ford Mondeo was brought in to replace the Peugeot 406, which is nearing the end of its hire life, an Almera Tino for the less mobile hirers and a Nissan Micra for the general trade.

We replaced the Rover 75 with a Vauxhall Zafira for County Contract reasons but retained the Rover as it had little value – ex-taxis have little or no value.

The insurance change is still working well with more cars yet little increase in insurance costs.

The taxis side of the business continued after the re-tendering of contracts by Durham County Council, which now provides 90% of the taxi income.

My objectives for 2008 were again unmet and remain for 2009:
- To update hire vehicles
- To move car hire into profit
- To hold the profitability of the taxis
- To become more computer literate
- To look for new business opportunities for Aavacar Ltd.

However we are now operating in a sharp recession which is more sharp and severe than anyone had predicted and has arrived sooner than we had expected. We are in the fortunate position having foreseen this possibility to have strong cash reserves, no debt and a very low cost base.

Cash business for the taxis is very much reduced and the car hire has scaled down considerably. We have bank facilities if needed but do not plan to use them.

My main focus for 2009 will be to reduce costs and make better use of the computer.

Signed

D. G. Halliday
Company Secretary

REGISTERED IN ENGLAND. REG NO 4875619

AAVACAR LTD ACCOUNTS
FOR PERIOD 01/10/2007 to 30/09/2008

2007		TITLE	2008	
		INCOME		
14,612	00	Car Hire (*Note 1*)	18,521	00
151	76	Refunds (Petrol Paid For) - (*Note 2*)		
600	00	Payment of Costs (Darron Halliday)	00	00
		Less Unpaid A/C's (*Note 3*)	195	00
15,363	76	Sub Total	18,326	00
4,473	07	Add Profit Mini Bus A/C	11,671	72
19,836	83	Total Income	29,997	72

2007		TITLE	2008	
		EXPENDITURE		
2,898	46	Repairs & Servicing	2,321	67
1,072	09	Fuel	1,171	17
4,564	17	Insurance	5,887	55
667	50	Road Tax	1,395	25
548	99	Car Purchase Charges	235	30
240	96	Cleaning	714	27
9,992	17	Car Operation Costs (*Note 4*)	11,725	21
637	30	Sundries inc. AA Membership (*Note 4*)	1,097	44
780	80	Phone	1,292	05
577	12	Advertising	592	79
551	55	Stationery & Admin	1,053	69
22	99	Finance Charges	97	63
2,569	76	Admin Costs (*Note 5*)	4,133	36
		Wages Costs		
		Bad Debt Written Off	1,050	00
		Depn. all Vehicles *as per attached computation*		
3,970	50	Depreciation Total	4,527	25
16,532	43	Sub Total	21,435	82
3,304	40	Profit to Capital Account	8,561	90
19,836	83		29,997	72

a. For the year ended 30 September 2008, the company was entitled to exemption under section 249A (1) for the Company Act 1985
b. Members have not required the company to obtain an audit in accordance with section 249B (2) for the Company Act 1985
c. The directors acknowledge their responsibility for
 i. Ensure the company keeping accounting records which section 221; and
 ii. Preparing accounts which give a true and fair view of state of affairs of a company as the end of the financial, and of its profits or loss for the financial year, in accordance with requirements of section 266 and which otherwise comply with the requirements of the Company Act relating to accounts, so far as applicable to the company.
d. The accounts have been prepared in accordance with the special provision in part VII for the Company Act 1985 relating to small companies.

Signed ____________

D. G. Halliday
Director / Company Secretary

REGISTERED IN ENGLAND. REG NO 4875619

AAVACAR LTD MINIBUS A/C SHEET
FOR PERIOD OF 01/10/2007 TO 30/09/2008

2007		TITLE	2008	
6,237	97	Fuel	7575	01
29,619	87	Gross Profit (*Note 1*)	37,572	75
35,857	84	Balance	45,147	76
			95	10
3,337	17	Repairs & Servicing	4,026	31
3,210	76	Insurance & Road Tax	3,481	47
345	38	Cleaning	290	40
0	00	Other Costs (*Note 3*)	1,047	00
6,893	31	Total Vehicle Costs (*Note 2*)	8,940	28
6,653	52	Wage & Wage Costs	5,743	10
25	44	Stationery & Postage	122	37
8,297	33	Aabat Settle & Admin	8,615	71
161	71	Finance Charges	108	69
34	98	Phone	--	--
00	00	Sundries	153	88
8,519	46	Total Admin Costs	9,000	65
1,054	75	Depn Toyota DF02 UGB	791	00
100	00	Zafira PN54 USZ	901	00
700	00	Rover 75 NY03 YHG	525	00
1,854	75	Depreciation 25%	2,217	00
23,921	04	Sub Total	25,901	03
4,473	07	Profit/Loss Transferred to A/C	11,671	72
28,394	11		37,572	75

2007		TITLE	2008	
16,005	35	Sundry Taxi Fares B (*Note 1*)	24,715	92
4,057	77	Sundry Taxi Fares D	972	24
15,172	50	Sundry Taxi Fares O/J	17,762	80
--	--	Rover Hire J. Ross (*Note 2*)	1,401	80
		Rover Hire S. Liddel (*Note 2*)	295	00
35,235	62	Balance	45,147	76
28,394	11	Gross Profit (*Note 1*)	37,572	75
28,394	11		37,572	75

a. For the year ended 30 September 2008, the company was entitled to exemption under section 249A (1) for the Company Act 1985
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D. G. Halliday
Director / Company Secretary

REGISTERED IN ENGLAND. REG NO 4875619

AAVACAR BALANCE SHEET
AS AT 30/09/2008

2007		TITLE	2008	
22,327	26	Balance B/F	25,457	66
0	00	Share Issue	0	00
112	06	Bank Interest	135	05
3,304	40	Profit	8,561	90
25,743	72		34,154	61
286	16	Less Corporation Tax Paid	665	97
		Dividend (15p per share)	1,500	00
25,457	66		31,988	64

2007		TITLE	2008	
		Value of Taxis	7,447	00
		Value of Hire Cars	21,381	75
		as per attached computation		
16,873	00		28,828	75
4,658	14	Actual Cash in Bank	2,559	74
217	41	Less Liabilities	790	70
4,440	73	Cash in Bank	1,769	04
243	13	Cash in Hand	110	85
280	00	Computer	280	00
500	00	Deposit Rival	500	00
450	00	Debtors	500	00
2,670	80	Cheque Schools	--	--
25,457	66		31,988	64

a. For the year ended 30 September 2008, the company was entitled to exemption under section 249A (1) for the Company Act 1985

b. Members have not required the company to obtain an audit in accordance with section 249B (2) for the Company Act 1985

c. The directors acknowledge their responsibility for

i. Ensure the company keeping accounting records which section 221; and

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d. The accounts have been prepared in accordance with the special provision in part VII for the Company Act 1985 relating to small companies.

Signed ____________

D. G. Halliday

Director / Company Secretary

AAVACAR LTD.
Self Drive Car Hire/Taxis
For the Period of 01/10/2007 to 30/09/2008

Notes to Account Sheet

Note 1
- Again an increase in hire income.

Note 2
- We endeavoured to check more carefully on returned cars for petrol and persuaded hirer to fill the cars on return hence we had no Refunds of Petrol this year although Petrol Consumption was slightly increased; this was for initial filling up, delivery, repairs and general usage (but no personal usage).

Note 3
- Several hirers cheques bounced and we were unable to recover monies owed.

Note 4
- Car operation cost and AA Membership cost up in line with additional vehicles.

Note 5
- Administration costs increased in line with increased business.

Note 6
- Bad debt written off is from previous bounced cheques.

Note 7
- A pleasing increase in profits although the car hire continues to be loss making.

Notes to Minibus A/C Sheet

Note 1
- Reflects extra school cheque from the 2006/2007 accounts of £2,670.80.

Note 2
- One of the taxis had to be replaced as AABAT Ltd. could only offer us a 6 seater contract and the Rover was replaced with a 6 seat Zafira but had been retained and hired out when opportunity arose. It did no more than cover costs, accounting for much of the increase in vehicle costs.

Note 3
- Other costs are for vehicle licensing and county council costs.

TAX COMPUTATION FOR AAVACAR LTD.

For Year 1st October 2007 to 30th September 2008

VEHICLE DETAILS	Purchase Price or Value B/F	Depreciation	Value Carried Forward
TAXI LIST			
Toyota Hiace Mini Bus DF02 UGB	3,164 00	791 00	2,373 00
Rover 75 NY03 YHC	2,100 00	525 00	1,575 00
Vauxhall Zafira PN54 USZ	4,400 00	901 00	3,499 00
Total Taxis Depreciation to A/C's		2,217 00	
Total Hire Car Value C/F			7,447 00
HIRE CARS			
Peugeot 406 FY51 NDE	1,730 00	432 50	1,297 50
Ford Fiesta SB52 MXY	1,874 00	468 50	1,405 50
Vauxhall Astra SW02 FCP	2,080 00	520 00	1,560 00
Peugeot 206 LL02 YMK	2,175 00	543 75	1,631 25
Ford Focus NV04 NFE	3,750 00	937 50	2,812 50
Nissan Almera ZD54 ZSK	3,600 00	702 00	2,898 00
Nissan Micra NG55 YBX	3,900 00	416 00	3,484 00
Ford Mondeo EA56 EJU	6,800 00	507 00	6,293 00
Total Hire Cars Depreciation to A/C's		4,527 25	
Total Hire Car Value C/F			21,381 75

- Nissan Almera ZD54 ZSK. Bought 19/12/2007 from Scottish Motor Auctions.
  - Price £3,600. Full Year £900 x (285/365) = Actual £702.

- Vauxhall Zafira PN54 USZ. Bought 05/12/2007 from Scottish Motor Auctions.
  - Price £4,400. Full Year £1,100 x (299/365) = Actual £901.

- Nissan Micra NG55 YBX. Bought 26/04/2008 from Scottish Motor Auctions.
  - Price £3,900. Full Year £975 x (156/365) = Actual £416.

- Ford Mondeo EA56 EJU. Bought 12/06/2008 from Scottish Motor Auctions.
  - Price £6,800. Full Year £1,700 x (109/365) = Actual £507.

TAX COMPUTATION

- For Period 01/10/2007 to 04/04/2008:
  - (186/365) x £8,696 (profits) = £4,431 x 20% = £886.20

- For Period 05/04/2008 to 30/09/2008:
  - (179/365) x £8,696 (profits) = £4,265 x 21% = £895.65

- TOTAL TAX DUE: £886.20 + £895.65 = **£1,781.85**