Grant Thornton

Financial Statements
06 Ormskirk Limited

For the Year Ended 31 Dec 07

Company No. 5540164

Company information

Company registration number	5540164
Registered office	5th & 6th floors 4 Chiswell Street London EC1Y 4UP
Directors	J Dickson Motors Directors Limited
Secretary	Motors Secretaries Limited
Bankers	National Westminster Bank 8 Park Row Leeds LS1 1QS
Solicitors	Duane Morris 4 Chiswell Street London EC1Y 4UP
Auditor	Grant Thornton UK LLP Grant Thornton House 202 Silbury Boulevard Central Milton Keynes MK9 1LW

Contents

Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 December 2007

The company was incorporated on 18 August 2005 as Avenuecable Limited The company changed its name to 06 Ormskirk Limited on 26 January 2006, and commenced trading on 16 March 2006

Principal activities

The principal activity of the company during the year was that of purchasing, selling and repairing of motor vehicles and other ancillary services

Results and dividends

The loss for the year, after taxation, amounted to £118,144 During the year, the directors paid preference share dividends of £226,148 (2006 - £nil)

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements, and are discussed further in the business review below

Impact of Financial Reporting Standard 25

The company's trading results for the year and the financial position at the end of the year are shown in the attached financial statements The financial statements include the impact of Financial Reporting Standard 25 'Financial Instruments Disclosure and Presentation (IAS 32)' In managing the business the directors review the results and position excluding the impact of FRS 25 The Business Review, below, provides details on the position and performance of the company prior to the impact of FRS 25 The impact of this standard on the performance for the current year and the financial position at the end of the current year are as follows

	Financial statements £	Excluding impact of FRS 25 £
(Loss)/profit after tax	**(118,144)**	270,054
Total assets	**4,150,339**	4,150,339
Total liabilities	**3,725,813**	3,299,656
Net assets	**424,526**	850,683

Business review

Financial overview

Turnover for the year ended 31 December 2007 was £16 9 million a decrease of 25% on the last period (period to 31 December 2006 - £13 5 million) Profit before tax was £376,054 an increase of 72% from the prior period (2006 - £218,637)

The directors are pleased with the performance during the year and believe that the company is in a strong position to continue its current performance levels

Financial performance

Financial performance for the year (excluding FRS 25) has been analysed as follows

	Year to 31 December 2007	Period to 31 December 2006	Change	
	£	£	£	%
Turnover	**16,885,226**	13,546,182	3,339,044	25
Gross profit	**2,010,428**	1,305,731	704,697	54
Profit before tax	**376,054**	218,637	157,417	72

Strategy

The strategy adopted during the year has been to continually build on the market position established by the company, together with a strong Vauxhall brand nationally This strategy is based largely on well established models under the Vauxhall brand (including Vectra, Astra and Corsa) and the development of new models to be launched in the coming year The directors are not looking for high growth levels given a highly competitive market place, but are instead focused on stable quality lead growth and a focused after sales performance

Turnover

The directors consider the results for the year to be in line with overall performance of the market

Vehicle sales

The company recorded a consistent performance in vehicle sales New vehicles sold in the year were 832 (2006 - 531)

Service sales

The level of service hours represents a consistent performance year on year, with service hours sold per service technician having slightly decreased by 2% on 2006

Parts sales

Parts sales have increased by 33% on the prior period

Operating costs

	2007 £'000	2006 £'000
Operating costs	**1,476**	971

Operating costs have increased This is not attributable to one specific area of cost

Wages and salaries represent the major element of operating costs

Capital expenditure

Capital expenditure of £34,951 was incurred during the year

Environmental policy

Management continue to work towards the development of the company's environmental policy It is the managements' objective to continually improve performance in this area When assessing the environmental performance of the company, management consider various measures, including waste recycling and CO_2 emissions from the company's vehicles

Summary of key performance indicators

The directors have monitored the progress of the overall company strategy and the individual strategic elements by reference to certain financial and non-financial key performance indicators

	2007	2006	**Method of calculation**
Growth in turnover (%)	**25**	-	Annual growth in total sales
New vehicle units	**832**	531	Number of new vehicles sold in the year
Gross profit margin (%)	**11.9**	9 6	Gross profit margin is the ratio of gross profit to sales expressed as a percentage
Operating profit margin (%)	**3.2**	24 7	Operating profit margin is the ratio of operating profit to sales expressed as a percentage
Return on capital employed (%)	**31.7**	16 5	Return on capital employed is the ratio of profit after tax generated from the net assets
Capital expenditure (£'000)	**35**	1,553	Investment made in respect of capital items during the year
Average head count	**54**	47	Average of total monthly head counts derived from the payroll records

Future developments for the business
The directors recognise that industry competition has put pressure on prices and margins The directors believe continued Vauxhall investment in the product range and investment in customer care, together with the company's strong working relationship with Vauxhall will enable us to improve on the strong market position

Principal risks and uncertainties
The management of the business and the nature of the company's strategy are subject to a number of risks

The directors have set out below the principal risks facing the business The directors are of the opinion that a thorough risk management process is adopted which involves the formal review of all the risks identified below Where possible, processes are in place to monitor and mitigate such risks

Manufacturer supply of new and improved products
The company is reliant on new vehicle products from Vauxhall This exposes the company to risks in a number of areas as the company is dependent on Vauxhall in respect of

- availability of new vehicle product
- quality of new vehicle product
- pricing of new vehicle product
- investment in marketing of new vehicle product

The directors are confident that future new products from Vauxhall will be of a continued high quality and that Vauxhall will continue to invest in the marketing of such new products The directors mitigate this risk by focusing on the other core business areas including used vehicle sales, parts sales and service sales

Economic downturn
The success of the business is reliant on consumer spending An economic downturn, resulting in reduction of consumer spending power will have a direct impact on the income achieved by the company

In response to this risk, senior management aim to keep abreast of economic conditions In cases of severe economic downturn, marketing and pricing strategies are modified to reflect the new market conditions

Competition
The motor retail market in which the company operates is highly competitive As a result there is constant downwards pressure on margins and the additional risk of being unable to meet customers expectations Policies of constant price monitoring and continuing to focus on high level of service are in place to mitigate such risks

Financial risk management objectives and policies

The company uses various financial instruments which include bank, financial institution and stocking loans, cash and various items, such as consignment stock, trade debtors and trade creditors that arise directly from its operations The main purpose of these financial instruments is to raise finance for the company's operations Their existence exposes the company to a number of financial risks

The main risks arising from the financial instruments are interest rate risk, credit risk and liquidity risk The directors review and agree policies for managing each of these risks which are summarised below These policies have remained unchanged from previous years

Interest rate risk

The company finances its operations through a mixture of bank, other external borrowings and preference shares The company's exposure to interest rate fluctuations on its borrowings is managed by the use of fixed and floating facilities

The interest rate exposure of the financial assets and liabilities of the company as at 31 December 2006 is shown in the balance sheet The balance sheet includes trade debtors and creditors which do not attract interest and are therefore subject to fair value interest rate risk

The company policy throughout the year has been to achieve its objective through the day to day involvement of management in business decisions rather than through setting maximum or minimum policies for the level of fixed interest rate borrowings

Credit risk

The company's principal financial assets are cash and trade debtors The credit risk associated with cash is limited as the counterparties have high credit ratings assigned by international credit-rating agencies The principal credit risk arises therefore from trade debtors

In order to manage credit risk the directors set credit limits for customers based on a combination of payment history and third party credit references Credit limits are reviewed by the credit controller on a regular basis in conjunction with debt ageing and collection history

Liquidity risk

The company seeks to manage risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably

The company's policy throughout the year has been to achieve this objective through the day to day involvement of management in business decisions rather than through setting maximum or minimum liquidity ratios

The maturity of borrowings is set out in note 14

The directors of the company

The directors who served the company during the year were as follows

J Dickson
Motors Directors Limited

Motors Directors Limited is a company related to Vauxhall Motors Limited who own all the remaining preference shares at 31 December 2007 and 1 January 2007

Directors' responsibilities

The directors are responsible for preparing the Annual Report and 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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,
- state whether applicable UK 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 keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and 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

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Disabled employees

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities In the event of employees becoming disabled, every effort is made to retrain them in order that their employment with the company may continue

It is the policy of the company that training, career development and promotion opportunities should be available to all employees

Auditor

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

ON BEHALF OF THE BOARD

J Dickson
Director

13/5/08

Date

Grant Thornton

Report of the independent auditor to the members of 06 Ormskirk Limited

We have audited the financial statements of 06 Ormskirk Limited for the year ended 31 December 2007 which comprise the accounting policies, profit and loss account, balance sheet, cash flow statement, statement of total recognised gains and losses and notes 1 to 23 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 auditor's 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 directors and auditor

The directors' responsibilities for preparing the Report of the Directors and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' 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 Report of the Directors 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 directors' remuneration and other transactions is not disclosed

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it

Basis of 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 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

Report of the independent auditor to the members of 06 Ormskirk Limited (continued)

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, 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 loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS

Central Milton Keynes

23 May 2008

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

The principal accounting policies of the company are set out below and remain unchanged from the previous period from incorporation on 18 August 2005 to 31 December 2006

The profit and loss account and balance sheet include a memorandum illustrating the financial performance and position prior to the application of Financial Reporting Standard 25 under United Kingdom Generally Accepted Accounting Practice

Turnover

Turnover represents amounts receivable for goods supplied and services provided, including finance commission earned net of trade discounts, VAT and other sales related taxes

Sales of motor vehicles, parts and accessories are recognised on the earlier of full payment by, or delivery date to, the customer together with the associated manufacturer vehicle bonus income Any other manufacturer income in relation to achieving targets is recognised on an accruals basis After sales revenue is recognised on the completion of the agreed work

Goodwill

Negative goodwill representing the excess of the fair values of the identifiable net assets acquired over the fair value of the consideration given, is capitalised and is amortised over the period of use or depreciation of the non-monetary assets acquired

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Freehold Property	-	50 years
Plant & Equipment	-	3 - 10 years
Computer Equipment	-	3 - 10 years

Stocks

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

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 the 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

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date Deferred tax assets are recognised when it is more likely than not that they will be recovered Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities Financial liabilities are presented as such in the balance sheet Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account Finance costs are calculated so as to produce a constant rate of return on the outstanding liability

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument Dividends and distributions relating to equity instruments are debited direct to equity

In accordance with FRS 25, the company's preference shares are shown as compound instruments The equity element of the compound instrument, representing the extent to which the present value of the preference investor's return, at market rates, is less than the par value of the original investment, has been shown in the accounts as an 'Other equity reserve'

The annual calculation of the debt element of the compound instrument, being the present value of the preference investor's return, and the associated finance charge has been carried out in accordance with paragraph AG 8 of FRS 26

This states that if an entity revises its estimates of future payments to the investor, the entity shall adjust the carrying amount of the financial liability to reflect actual and revised estimated cash flows The entity recalculates the carrying amount by computing the present value of estimated future cash flows at the financial instrument's original effective interest rate The adjustment is recognised as an interest income or expense amount in the profit and loss account

Profit and loss account

Memo 2007 £		Note	Year to 31 December 2007 £	Period to 31 December 2006 £
16,885,226	Turnover	1	**16,885,226**	13,546,182
14,874,798	Cost of sales		**14,874,798**	12,240,451
2,010,428	Gross profit		**2,010,428**	1,305,731
1,476,234	Other operating charges	2	**1,476,234**	970,975
534,194	**Operating profit**	3	**534,194**	334,756
-	Interest receivable		-	2,354
(158,140)	Interest payable excluding FRS 25 interest		**(158,140)**	(118,473)
-	Finance charge/(credit) on shares classed as liabilities (FRS 25)		**(388,198)**	(104,379)
(158,140)	Interest payable and similar charges	6	**(546,338)**	(222,852)
376,054	**(Loss)/profit on ordinary activities before taxation**		**(12,144)**	114,258
106,000	Tax on (loss)/profit on ordinary activities	7	**106,000**	60,500
270,054	**(Loss)/profit for the financial year**	19	**(118,144)**	53,758

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

Balance sheet

Memo 2007 £		Note	2007 £	2006 £
	Fixed assets			
(408,665)	Intangible assets	8	(408,665)	(460,264)
2,100,143	Tangible assets	9	2,100,143	2,109,871
1,691,478			1,691,478	1,649,607
	Current assets			
1,689,557	Stocks	10	1,689,557	1,267,573
584,816	Debtors	11	584,816	526,868
184,488	Cash in hand		184,488	371,950
2,458,861			2,458,861	2,166,391
2,100,418	Creditors amounts falling due within one year		2,100,418	1,549,504
-	Shares classed as financial liabilities (FRS 25)		122,000	92,448
2,100,418	**Creditors· amounts falling due within one year**	12	2,222,418	1,641,952
358,443	**Net current assets**		236,443	524,439
2,049,921	**Total assets less current liabilities**		1,927,921	2,174,046
1,199,238	Creditors amounts falling due after more than one year		1,199,238	1,308,357
-	Shares classed as financial liabilities (FRS 25)		304,157	323,019
1,199,238	**Creditors: amounts falling due after more than one year**	13	1,503,395	1,631,376
850,683			424,526	542,670
	Capital and reserves			
688,640	Called-up equity share capital	17	200,000	200,000
111,360	Capital redemption reserve	19	111,360	-
-	Other equity reserve	19	235,290	288,912
50,683	Profit and loss account	19	(122,124)	53,758
850,683		19	424,526	542,670

These financial statements were approved by the directors and authorised for issue on 12/5/08, and are signed on their behalf by

J Dickson
Director

S Cook, For and on behalf of Motors Directors Limited
Director

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

Cash flow statement

	Note	Year to 31 December 2007 £	Period to 31 December 2006 £
Net cash inflow from operating activities	20	**615,008**	164,273
Returns on investments and servicing of finance			
Interest received		**–**	2,354
Interest paid		**(158,140)**	(118,473)
Dividends on shares classed as financial liabilities		**(266,148)**	–
Net cash outflow from returns on investments and servicing of finance		**(424,288)**	(116,119)
Taxation		**(85,280)**	–
Capital expenditure			
Payments to acquire tangible fixed assets		**(36,729)**	-
Net cash outflow from capital expenditure		**(36,729)**	-
Acquisitions			
Purchase of business		**-**	(1,954,989)
Cash inflow/(outflow) before financing		**68,711**	(1,906,835)
Financing			
Issue of equity share capital		**–**	200,000
(Redemption of)/issue of shares classed as financial liabilities		**(111,360)**	600,000
(Repayment of)/increase in bank loans		**(61,905)**	1,300,000
Repayment of loan amounts owed to group undertakings		**(24,000)**	102,000
Net cash (outflow)/inflow from financing		**(197,265)**	2,202,000
(Decrease)/increase in cash	21	**(128,554)**	295,165

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

Other primary statements

Statement of total recognised gains and losses

	Year to 31 December 2007 £	Period to 31 December 2006 £
(Loss)/profit for the financial year	**(118,144)**	53,758
Unrealised profit on revaluation of certain fixed assets	–	588,800
Total gains and losses recognised for the year	**(118,144)**	642,558

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

Notes to the financial statements

1 Turnover

The turnover and loss before tax are attributable to the one principal activity of the company
An analysis of turnover is given below

	2007	2006
	£	£
United Kingdom	**16,885,226**	13,546,182

2 Other operating charges

	2007	2006
	£	£
Administrative expenses	**1,476,234**	970,975

3 Operating profit

Operating profit is stated after charging

	2007	2006
	£	£
Amortisation	**(49,821)**	(39,725)
Depreciation of owned fixed assets	**44,679**	32,181
Auditor's remuneration		
Audit fees	**10,440**	13,633
Non-audit fees, taxation	**1,560**	900

4 Particulars of employees

The average number of staff employed by the company during the financial year amounted to

	2007 No	2006 No
Number of production staff	**29**	27
Number of administrative staff	**25**	20
	54	47

The aggregate payroll costs of the above were

	2007 £	2006 £
Wages and salaries	**1,273,466**	894,630
Social security costs	**138,339**	92,001
	1,411,805	986,631

5 Directors

Remuneration in respect of directors was as follows

	2007 £	2006 £
Emoluments receivable	**82,560**	57,500

6 Interest payable and similar charges

	2007 £	2006 £
Interest payable on bank borrowing	**77,566**	64,743
Other similar charges payable	**80,574**	53,730
Interest payable and similar charges	**158,140**	118,473
Finance charges on shares classed as liabilities	**388,198**	104,379
Total interest payable and similar charges	**546,338**	222,852

Other similar charges payable represent amounts payable to group undertakings, being related parties

7 Taxation on ordinary activities

(a) Analysis of charge in the year

	2007	2006
	£	£
Current tax		
UK Corporation tax based on the results for the year at 30% (2006 - 30%)	**106,000**	60,500
Total current tax	**106,000**	60,500

(b) Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2006 - 30%)

	2007	2006
	£	£
(Loss)/profit on ordinary activities before taxation	**(12,144)**	114,258
(Loss)/profit on ordinary activities by rate of tax	**(3,643)**	34,277
Expenses not deductible for tax purposes	**106,748**	22,224
Capital allowances for period in excess of depreciation	**2,572**	3,999
Rounding on tax charge	**323**	-
Total current tax (note 7(a))	**106,000**	60,500

8 Intangible fixed assets

	Negative goodwill £
Cost	
At 1 January 2007	(499,989)
Additions	1,778
At 31 December 2007	**(498,211)**
Amortisation	
At 1 January 2007	**(39,725)**
Charge for the year	**(49,821)**
At 31 December 2007	**(89,546)**
Net book value	
At 31 December 2007	**(408,665)**
At 31 December 2006	(460,264)

9 Tangible fixed assets

	Freehold Property £	Plant & Equipment £	Computer Equipment £	Total £
Cost				
At 1 January 2007	2,050,000	82,875	9,177	2,142,052
Additions	14,403	19,807	741	34,951
At 31 December 2007	2,064,403	102,682	9,918	2,177,003
Depreciation				
At 1 January 2007	9,773	18,104	4,304	32,181
Charge for the year	12,131	29,846	2,702	44,679
At 31 December 2007	21,904	47,950	7,006	76,860
Net book value				
At 31 December 2007	**2,042,499**	**54,732**	**2,912**	**2,100,143**
At 31 December 2006	2,040,227	64,771	4,873	2,109,871

The value of land on which depreciation is not provided is £1,405,000 (2006 - £1,405.000)

10 Stocks

	2007 £	2006 £
Vehicle stocks	**1,262,149**	985,364
Parts stock	**179,006**	121,743
Vehicle consignment stock	**248,402**	160,466
	1,689,557	1,267,573

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

11 Debtors

	2007 £	2006 £
Trade debtors	**296,266**	279,729
Amounts owed by group undertakings	**189,653**	106,485
Other debtors	**11,497**	25,398
Directors current accounts	**–**	3,163
Prepayments and accrued income	**87,400**	112,093
	584,816	526,868

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

	2007 £	2006 £
Vehicle related transactions due from Vauxhall Motors Limited	**189,653**	106,485

12 Creditors amounts falling due within one year

	2007 £	2006 £
Bank loans and overdrafts	**110,734**	146,428
Trade creditors	**239,074**	167,328
Amounts owed to group undertakings	**1,421,639**	922,624
Corporation tax	**81,220**	60,500
Other taxation and social security	**133,299**	115,997
Shares classed as financial liabilities	**122,000**	92,448
Other creditors	–	40,021
Accruals and deferred income	**114,452**	96,606
	2,222,418	1,641,952

The bank loans and overdrafts are secured by fixed and floating charges over all of the assets of the company

Amounts due under manufacturer funding plans with General Motors Acceptance Corporation and monies due to Vauxhall Motors Limited are secured by way of a debenture, together with a mixture of fixed and floating charges over certain property and other assets of the company, and effectively against the relevant vehicle stocks

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

	2007 £	2006 £
Vehicle related transactions due to General Motors Acceptance Corporation	**1,064,411**	645,412
Consignment vehicles on a General Motors Acceptance Corporation plan	**248,402**	196,724
Vehicle and parts related transactions due to Vauxhall Motors Limited	**84,826**	56,488
General Motors Acceptance Corporation loans	**24,000**	24,000
	1,421,639	922,624

13 Creditors: amounts falling due after more than one year

	2007 £	2006 £
Bank loans	**1,145,238**	1,230,357
Amounts owed to group undertakings	**54,000**	78,000
Shares classed as financial liabilities	**304,157**	323,019
	1,503,395	1,631,376

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

	2007 £	2006 £
General Motors Acceptance Corporation loans	**54,000**	78,000

The bank loans are secured by fixed and floating charges over all of the assets of the company

The General Motors Acceptance Corporation loan is secured by way of a first legal charge over the properties together with a second floating charge over the company assets present and future The loan is repayable in equal monthly capital instalments of £2,000, with interest charged at a fixed rate of 5 24% per annum

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date

	2007 £	2006 £
Bank loans	**773,810**	866,666

14 Creditors - capital instruments

Creditors include finance capital which is due for repayment as follows

	2007 £	2006 £
Amounts repayable		
In one year or less or on demand	**134,734**	170,428
In more than one year but not more than two years	**116,857**	116,857
In more than two years but not more than five years	**308,571**	332,571
In more than five years	**773,810**	858,929
	1,333,972	1,478,785

15 Commitments under operating leases

At 31 December 2007 the company had annual commitments under non-cancellable operating leases as set out below

	Assets other than land & buildings	
	2007	2006
	£	£
Operating leases which expire		
Within 1 year	**512**	-
Within 2 to 5 years	**1,638**	2,150
	2,150	2,150

16 Related party transactions

	2007	2006
	£	£
Name of related party		
Vauxhall Motors Limited Subsidiary of General Motors Corporation - vehicle related purchase transactions	**2,180,190**	1,699,012
General Motors Acceptance Corporation Subsidiary of General Motors Corporation - vehicle financing sales transactions	**3,425,661**	3,162,644
General Motors Acceptance Corporation Subsidiary of General Motors Corporation - vehicle related purchase transactions	**11,860,456**	10,180,838
General Motors Acceptance Corporation Subsidiary of General Motors Corporation - loan repayments	**24,000**	18,000

During the year ended 31 December 2006, General Motors Corporation, a company incorporated in the United States of America, sold its equity interest in General Motors Acceptance Corporation

17 Share capital

Authorised share capital

	2007 £	2006 £
110,000 Ordinary shares of £1 each	**110,000**	110,000
90,000 'B' Ordinary shares of £1 each	**90,000**	90,000
600,000 Preference shares of £1 each	**600,000**	600,000
	800,000	800,000

Allotted and called up

	2007 No	2007 £	2006 No	2006 £
Ordinary shares of £1 each	**110,000**	**110,000**	110,000	110,000
'B' Ordinary shares of £1 each	**90,000**	**90,000**	90,000	90,000
Preference shares of £1 each	**488,640**	**488,640**	600,000	600,000
	688,640	**688,640**	800,000	800,000

Amounts presented in equity	2007 £	2006 £
Ordinary shares of £1 each	**110,000**	110,000
'B' Ordinary shares of £1 each	**90,000**	90,000
	200,000	200,000

Rights

Ordinary shares

The ordinary shares confer the right to be paid a dividend out of the distributable profits of the company, after all dividend and redemption rights relating to the redeemable participating preference shares have been satisfied The ordinary shares do not carry the right to attend and vote at all general meetings of the company

Preference shares

The redeemable participating preference shares confer the right to be paid a dividend out of the profits of the company, in priority to any other class of share, equal to the percentage of the distributable profits of the company represented by the proportion of preference shares issued in relation to the equity share capital issued

17 Share capital (continued)

The balance of distributable profits remaining after any such preference dividend is declared shall then be applied to the redemption of preference shares at par, except when the preference shares have been reduced to 1% or less of the issued share capital of the company or converted into 'A' ordinary shares The preference shares also carry the right to attend and vote at all general meetings of the company

If preference shares have not been redeemed, the holders are entitled to request they be converted to 'A' Ordinary shares on a 1 for 1 basis

Dividends
During the year, the company paid preference share dividends of £266,148 (2006 - £nil)

Redemptions
During the year, the company redeemed 111,360 (2006 - nil) redeemable participating preference £1 shares at par

18 FRS 25 - presentation and disclosure of preference shares

In accordance with FRS 25, the company's preference shares are termed compound instruments and consist of both debt and equity components The debt component of the share is classed as a financial liability and disclosed within creditors The equity component is treated as "Other equity reserves" and forms part of shareholders' funds

	2007 £	2006 £
Creditors amounts falling due within one year (see note 12)	**122,000**	92,448
Creditors amounts falling due after more than one year (see note 13)	**304,157**	323,019
Financial liabilities relating to preference shares	**426,157**	415,467
less Finance charge unpaid		
Finance charge - current year (see note 6)	**(388,198)**	(104,379)
Repayments current year	**215,391**	–
	253,350	311,088
Other equity reserves	**235,290**	288,912
Preference shares in issue (see note 17)	**488,640**	600,000

19 Reconciliation of shareholders' funds and movement on reserves

	Share capital £	Capital redemption reserve £	Other equity reserve £	Profit and loss account £	Total share-holders' funds £
At 1 January 2007	200,000	-	288,912	53,758	542,670
Loss for the year	-	-	-	(118,144)	(118,144)
Redemption of own preference shares	-	111,360	-	(111,360)	-
Transfer of equity proportion of preference shares redeemed	-	-	(53,622)	53,622	-
At 31 December 2007	200,000	111,360	235,290	(122,124)	424,526

20 Reconciliation of operating profit to net cash inflow/(outflow) from operating activities

	2007 £	2006 £
Operating profit	534,194	334,756
Amortisation	(49,821)	(39,725)
Depreciation	44,679	32,181
Increase in stocks	(421,984)	(714,601)
Increase in debtors	(57,948)	(485,750)
Increase in creditors	565,888	1,037,412
Net cash inflow/(outflow) from operating activities	615,008	164,273

21 Reconciliation of net cash flow to movement in net debt

	2007 £	2006 £
(Decrease)/increase in cash in the period	**(128,554)**	295,165
Net cash outflow from/(inflow) from bank loans	**61,905**	(1,300,000)
Net cash outflow from/(inflow) from shares classed as financial liabilities	**111,360**	(600,000)
Net cash outflow from/(inflow) from amounts owed to group undertakings	**24,000**	(102,000)
Change in net debt resulting from cash flows	**68,711**	(1,706,835)
Other differences	**(122,050)**	184,533
Movement in net debt in the period	**(53,339)**	(1,522,302)
Net debt at 1 January 2007	**(1,522,302)**	–
Net debt at 31 December 2007	**(1,575,641)**	(1,522,302)

22 Analysis of changes in net debt

	At 1 Jan 2007 £	Cash flows £	Other changes £	At 31 Dec 2007 £
Net cash				
Cash in hand and at bank	371,950	(187,462)	–	184,488
Overdrafts	(76,785)	58,908	–	(17,877)
	295,165	(128,554)	–	166,611
Debt				
Debt due within 1 year	(186,091)	(23,214)	(29,552)	(238,857)
Debt due after 1 year	(1,631,376)	109,119	18,862	(1,503,395)
	(1,817,467)	85,905	(10,690)	(1,742,252)
Net debt	(1,522,302)	(42,649)	(10,690)	(1,575,641)

23 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 this 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