

**LATHAM OF TORBAY LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 1998**



Company no 2530637

# **LATHAM OF TORBAY LIMITED**

## **FINANCIAL STATEMENTS**

**For the year ended 31 December 1998**

---

**Company registration number:** 2530637

**Registered office:** 6th Floor  
Thavies Inn House  
3 - 4 Holborn Circus  
LONDON  
EC1N 2HL

**Directors:** Motors Directors Limited  
S M Latham

**Secretary:** Motors Secretaries Limited

**Bankers:** Royal Bank of Scotland Plc  
27 Park Row  
Leeds  
LS1 2QB

**Solicitors:** Geisler Laws Manning  
6th Floor  
Thavies Inn House  
3 - 4 Holborn Circus  
LONDON  
EC1N 2HL

**Auditors:** Grant Thornton  
Registered auditors  
Chartered accountants

# **LATHAM OF TORBAY LIMITED**

## **FINANCIAL STATEMENTS**

For the year ended 31 December 1998

---

<b>INDEX</b>	<b>PAGE</b>
Report of the directors	1 - 2
Report of the auditors	3
Principal accounting policies	4 - 5
Profit and loss account	6
Balance sheet	7
Cash flow statement	8
Notes to the financial statements	9 - 17

# **LATHAM OF TORBAY 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.

Significant changes in the activities of the company during the year were that in April 1998 the company incorporated into its existing trade that of another franchise in Newton Abbot. Prior to this the outlet had been operated by another quite separate franchise holder.

### **Business review**

There was a profit for the year after taxation amounting to £27,408. The directors recommend payment of dividends of £10,663.

### **Directors**

The present membership of the Board is set out below. All directors served throughout the year.

The interests of the directors and their families in the shares of the company as at 31 December 1998 and 1 January 1998, or the date of their appointment to the Board if later, were as follows:

	Ordinary shares		Preference shares	
	31 December 1998	1 January 1998	31 December 1998	1 January 1998
Motor Directors Limited	-	-	-	-
S M Latham	60,000	60,000	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.

## **LATHAM OF TORBAY LIMITED**

### **REPORT OF THE DIRECTORS**

---

#### **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 is in the process of assessing the risks resulting from this issue. When the analysis is complete, the company will consider the likely impact on the business, develop action plans to deal with the key risks, and estimate the costs to be incurred.

#### **Auditors**

Grant Thornton having offered themselves for reappointment as auditors shall be deemed to be reappointed for the next financial year in accordance with section 386 of the Companies Act 1985.

ON BEHALF OF THE BOARD

Director



Stephen Latham  
Latham Of Torbay Ltd  
Torquay Road, Paignton  
Devon TQ3 2EG  
Tel 0803-523506

Date: 18 March 1999

**REPORT OF THE AUDITORS TO THE MEMBERS OF  
LATHAM OF TORBAY LIMITED**

We have audited the financial statements on pages 4 to 17 which have been prepared under the accounting policies set out on pages 4 to 5.

**Respective responsibilities of directors and auditors**

As described on page 1 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 profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS**

PLYMOUTH  
18 March 1999

## **LATHAM OF TORBAY LIMITED**

### **PRINCIPAL ACCOUNTING POLICIES**

---

#### **BASIS OF PREPARATION**

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

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% on cost
Plant and machinery	20%, 33% and 50% on cost
Fixtures and fittings	10%, 20%, 33% and 50% on cost

#### **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.

## **LATHAM OF TORBAY 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.



**LATHAM OF TORBAY LIMITED****PROFIT AND LOSS ACCOUNT**

For the year ended 31 December 1998

	Note	1998 £	1997 £
<b>Turnover</b>	1	<b>6,667,885</b>	6,489,451
Cost of sales		<b>5,686,141</b>	5,761,090
Gross profit		<b>981,744</b>	728,361
Administrative expenses		<b>983,375</b>	783,640
Other operating income		<b>(92,010)</b>	(103,392)
<b>Operating profit</b>		<b>90,379</b>	48,113
Net interest	2	<b>37,002</b>	30,773
<b>Profit on ordinary activities before taxation</b>	1	<b>53,377</b>	17,340
Tax on profit on ordinary activities	4	<b>25,969</b>	5,886
<b>Profit for the financial year</b>	13	<b>27,408</b>	11,454
Dividends Non-equity	5	<b>10,663</b>	-
<b>Profit transferred to reserves</b>	12	<b>16,745</b>	11,454

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


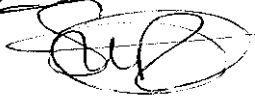
The accompanying accounting policies and notes form an integral part of these financial statements.

# LATHAM OF TORBAY LIMITED

## BALANCE SHEET AT 31 DECEMBER 1998

	Note	1998 £	1998 £	1997 £	1997 £
<b>Fixed assets</b>					
Tangible assets	6		394,350		390,674
<b>Current assets</b>					
Stocks	7	1,544,444		1,520,042	
Debtors	8	289,870		301,616	
Cash at bank and in hand		700		700	
		<u>1,835,014</u>		<u>1,822,358</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>872,672</u>		<u>948,977</u>	
<b>Net current assets</b>			<u>962,342</u>		<u>873,381</u>
<b>Total assets less current liabilities</b>			<u>1,356,692</u>		<u>1,264,055</u>
<b>Creditors: amounts falling due after more than one year</b>	10		<u>980,614</u>		<u>901,772</u>
			<u>376,078</u>		<u>362,283</u>
<b>Capital and reserves</b>					
Called up share capital	11		337,595		340,545
Other reserves	12		23,405		20,455
Profit and loss account	12		15,078		1,283
<b>Shareholders' funds</b>	13		<u>376,078</u>		<u>362,283</u>
Equity shareholders' funds			<u>98,483</u>		<u>81,738</u>
Non-equity shareholders' funds			<u>277,595</u>		<u>280,545</u>
			<u>376,078</u>		<u>362,283</u>

The financial statements were approved by the Board of Directors on 18/3/1999.

**Director** Stephen Latham  
 Latham Of Torbay Ltd  
 Torquay Road, Paignton  
 Devon TQ3 2EG  
 Tel 0803-523506

**Director** PETER MOTORS DIRECTORS LTD

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

**LATHAM OF TORBAY LIMITED****CASH FLOW STATEMENT**

For the year ended 31 December 1998

	Note	1998 £	1997 £
Net cash inflow from operating activities	16	86,057	156,084
<b>Returns on investments and servicing of finance</b>			
Interest received		132	589
Interest paid		(37,134)	(31,362)
Non-equity dividends paid		(10,663)	-
<b>Net cash outflow from returns on investments and servicing of finance</b>		<b>(47,665)</b>	<b>(30,773)</b>
<b>Taxation</b>		<b>(13,270)</b>	<b>146</b>
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(15,712)	(8,603)
<b>Net cash outflow from capital expenditure and financial investment</b>		<b>(15,712)</b>	<b>(8,603)</b>
<b>Financing</b>			
Repayment of borrowings		(16,955)	(17,177)
Redemption of shares		(2,950)	-
<b>Net cash outflow from financing</b>		<b>(19,905)</b>	<b>(17,177)</b>
<b>Decrease in cash</b>	18	<b>(10,495)</b>	<b>99,677</b>

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

# **LATHAM OF TORBAY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 1998

### **1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

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

The profit on ordinary activities is stated after:

	1998 £	1997 £
Audit services	3,600	2,750
Non-audit services	1,200	1,200
Depreciation and amortisation:		
Tangible fixed assets, owned	17,540	18,216
Tangible fixed assets, held under finance leases and hire purchase contracts	46	-
Other operating lease rentals	14,832	9,745
Other operating income includes:		
Manufactures receivables	92,010	103,392

### **2 NET INTEREST**

	1998 £	1997 £
On bank loans and overdrafts	25,870	24,295
Interest payable to group undertakings	11,264	7,067
Other interest receivable and similar income	37,134 (132)	31,362 (589)
	37,002	30,773

### **3 DIRECTORS AND EMPLOYEES**

Staff costs during the year were as follows:

	1998 £	1997 £
Wages and salaries	569,005	417,287
Social security costs	52,258	39,838
Other pension costs	2,031	2,021
	623,294	459,146

# **LATHAM OF TORBAY 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:

	<b>1998 Number</b>	<b>1997 Number</b>
Production	15	11
Selling and distribution	20	10
Administration	6	6
Management	4	4
	<b>45</b>	<b>31</b>

Remuneration in respect of directors was as follows:

	<b>1998 £</b>	<b>1997 £</b>
Emoluments	<b>33,970</b>	<b>32,063</b>

During the year one director (1997: one) participated in defined benefit pension schemes.

### **4 TAX ON PROFIT ON ORDINARY ACTIVITIES**

The tax charge is based on the profit for the year and represents:

	<b>1998 £</b>	<b>1997 £</b>
UK Corporation tax at 31% (1997: 33%/31%%)	<b>21,376</b>	<b>6,032</b>
Adjustments in respect of prior periods:		
Corporation tax	<b>4,593</b>	<b>(146)</b>
	<b>25,969</b>	<b>5,886</b>

### **5 DIVIDENDS**

	<b>1998 £</b>	<b>1997 £</b>
Non-equity dividends:		
Preference dividend - formula per Articles of Association (due to Vauxhall Motors Limited)	<b>10,663</b>	<b>-</b>
29 July (paid)	<b>10,663</b>	<b>-</b>

# **LATHAM OF TORBAY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 1998

### **6 TANGIBLE FIXED ASSETS**

	<b>Freehold land and buildings £</b>	<b>Plant and machinery £</b>	<b>Fixtures and fittings £</b>	<b>Total £</b>
Cost or valuation				
At 1 January 1998	409,858	66,338	14,072	490,268
Additions	-	14,222	7,040	21,262
	<u>409,858</u>	<u>80,560</u>	<u>21,112</u>	<u>511,530</u>
Depreciation				
At 1 January 1998	44,413	42,843	12,338	99,594
Provided in the year	6,197	9,663	1,726	17,586
	<u>50,610</u>	<u>52,506</u>	<u>14,064</u>	<u>117,180</u>
Net book amount at 31 December 1998	<u><b>359,248</b></u>	<u><b>28,054</b></u>	<u><b>7,048</b></u>	<u><b>394,350</b></u>
Net book amount at 31 December 1997	<u>365,445</u>	<u>23,495</u>	<u>1,734</u>	<u>390,674</u>

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

	<b>Plant and machinery £</b>
Net book amount at 31 December 1998	<u><b>5,504</b></u>
Net book amount at 31 December 1997	<u>-</u>
Depreciation provided during year	<u><b>46</b></u>

### **7 STOCKS**

	<b>1998 £</b>	<b>1997 £</b>
Motability repurchase commitment vehicles	<b>1,100,472</b>	1,076,581
Short-term work in progress	<b>346</b>	491
Finished goods and goods for resale	<b>443,626</b>	442,970
	<u><b>1,544,444</b></u>	<u>1,520,042</u>

## LATHAM OF TORBAY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1998

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 £791,548 (1997: £697,033).

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. .

#### 8 DEBTORS

	1998 £	1997 £
Trade debtors	207,197	178,155
Amounts owed by group undertakings	56,752	105,042
Other debtors	-	5,573
Prepayments and accrued income	25,921	12,846
	<u>289,870</u>	<u>301,616</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	40,925	50,973
Vehicle related transactions due from fellow-controlled retailers	-	19,016
Vehicle related transaction due from GMAC (UK) Limited	15,827	35,053
	<u>56,752</u>	<u>105,042</u>

#### 9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1998 £	1997 £
Bank loans and overdrafts	57,829	44,747
Trade creditors	147,844	217,908
Amounts owed to group undertakings	230,231	216,207
Motability repurchase commitments	308,924	379,548
Corporation tax	18,731	6,032
Social security and other taxes	8,997	8,679
Other creditors	20,779	4,378
Accruals and deferred income	77,656	71,478
Amounts due under finance leases	1,681	-
	<u>872,672</u>	<u>948,977</u>

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

# **LATHAM OF TORBAY 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:	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
Vehicle related transactions due to General Motors Acceptance Corporation	<b>176,876</b>	<b>175,228</b>
Vehicle related transactions due to Vauxhall Motors Limited	<b>53,355</b>	<b>40,979</b>
	<b>230,231</b>	<b>216,207</b>

### **10 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
Bank loans	<b>185,197</b>	<b>204,739</b>
Motability repurchase commitments	<b>791,548</b>	<b>697,033</b>
Amounts due under finance leases	<b>3,869</b>	<b>-</b>
	<b>980,614</b>	<b>901,772</b>

Motability repurchase commitments are spread monthly throughout financial periods.

Bank loans

The bank loan is secured by a first legal charge over the freehold property and a fixed charge over book debts. The bank loan carries interest at 2% above base rate and is repayable in equal monthly instalments of £3,050.82 to March 2006.

Borrowings are repayable as follows:	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
Within one year		
Bank and other borrowings	<b>57,829</b>	<b>44,747</b>
Finance leases	<b>1,681</b>	<b>-</b>
After one and within two years		
Bank and other borrowings	<b>20,405</b>	<b>17,672</b>
Finance leases	<b>1,850</b>	<b>-</b>
After two and within five years		
Bank and other borrowings	<b>72,567</b>	<b>63,442</b>
Finance leases	<b>2,019</b>	<b>-</b>
After five years		
Bank and other borrowings	<b>92,225</b>	<b>123,625</b>
	<b>248,576</b>	<b>249,486</b>

Bank and other borrowings repayable after five years comprise:

	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
Bank loans	<b>92,225</b>	<b>123,625</b>



# LATHAM OF TORBAY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1998

### 11 SHARE CAPITAL

	1998 £	1997 £
Authorised		
60,000 ordinary shares of £1 each	60,000	60,000
5% redeemable preference shares of £1 each	301,000	301,000
	<u>361,000</u>	<u>361,000</u>
Allotted, called up and fully paid		
Ordinary shares of £1 each	60,000	60,000
£1 redeemable preference shares	277,595	280,545
	<u>337,595</u>	<u>340,545</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.

##### Ordinary shares

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

#### Redemptions

During the year the company redeemed 2,950 (1997: nil) £1 preference shares at par.

### 12 RESERVES

	Capital redemption reserve £	Profit and loss account £
At 1 January 1998	20,455	1,283
Retained profit for the year	-	16,745
Share redemptions in year - Vauxhall Motors Limited preference shares	2,950	(2,950)
At 31 December 1998	<u>23,405</u>	<u>15,078</u>

The balance on the capital redemption reserve represents a non distributable reserve.

**LATHAM OF TORBAY LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 1998

**13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	1998 £	1997 £
Profit for the financial year	27,408	11,454
Dividends	(10,663)	-
	<u>16,745</u>	<u>11,454</u>
Redemption of shares	(2,950)	-
	<u>13,795</u>	<u>11,454</u>
Net increase in shareholders' funds	362,283	350,829
Shareholders' funds at 1 January 1998		
Shareholders' funds at 31 December 1998	<u>376,078</u>	<u>362,283</u>

**14 CAPITAL COMMITMENTS**

	1998 £	1997 £
Contracted for but not provided in these statements	<u>22,500</u>	<u>-</u>

**15 CONTINGENT LIABILITIES**

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

**16 NET CASH INFLOW/OUTFLOW FROM OPERATING ACTIVITIES**

	1998 £	1997 £
Operating profit	90,379	48,113
Depreciation	17,586	18,216
Increase in stocks	(24,402)	(229,756)
Decrease in debtors	11,746	27,741
Decrease in creditors	(9,252)	291,770
Net cash inflow from continuing operating activities	<u>86,057</u>	<u>156,084</u>

**LATHAM OF TORBAY LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 1998

**17 ANALYSIS OF CHANGES IN NET DEBT**

	At 1 January 1998 £	Cash flow £	Non-cash items £	At 31 December 1998 £
Cash in hand, at bank	700	-	-	700
Overdrafts	(28,571)	(10,495)	-	(39,066)
Debt	(220,915)	16,955	-	(203,960)
Finance leases	-	-	(5,550)	(5,550)
	<u>(248,786)</u>	<u>6,460</u>	<u>(5,550)</u>	<u>(247,876)</u>

**18 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**

	1998 £	1997 £
Decrease in cash in the year	(10,495)	99,676
Cash outflow from financing in the year	16,955	17,177
Change in net debt resulting from cashflows	<u>6,460</u>	<u>116,853</u>
Inception of finance leases	(5,550)	-
Movement in net debt in the year	<u>910</u>	<u>116,853</u>
Net debt at 1 January 1998	(248,786)	(365,639)
Net debt at 31 December 1998	<u>(247,876)</u>	<u>(248,786)</u>

**19 PENSIONS****Defined Contribution Scheme**

The company operates a defined contribution pension scheme for the benefit of the employees and directors. The assets of the scheme are administered by trustees in a fund independent from those of the company.

# **LATHAM OF TORBAY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 1998

---

### **20 LEASING COMMITMENTS**

Operating lease payments amounting to £35,000 (1997: £nil) are due within one year. The leases to which these amounts relate expire as follows:

	<b>1998</b>	<b>1997</b>
	<b>Land and</b>	<b>Land and</b>
	<b>buildings</b>	<b>buildings</b>
	<b>£</b>	<b>£</b>
Between one and five years	<b>35,000</b>	<b>-</b>

### **21 ULTIMATE PARENT UNDERTAKING/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.